Exhibit 4

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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
ORION HEALTHCORP, INC.	:	Case No. 18-71748 (AST) (Jointly Administered)
Debtors.	:	
HOWARD M. EHRENBERG IN HIS CAPACITY AS LIQUIDATING TRUSTEE OF ORION HEALTHCORP, INC. ET AL.,	:	Adv. Pro. No. 20-8052 (AST)
Plaintiff,	:	
v.	:	
Abruzzi Investments, L.L.C.; John Petrozza,	:	
Defendants.	:	

EXPERT REPORT OF CRAIG JACOBSON

SEPTEMBER 2, 2021

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I. Introduction & Summary Conclusions

A. Introduction

1. GlassRatner Advisory & Capital Group, LLC d/b/a B. Riley Advisory Associates ("**B. Riley Advisory**")[1] was retained on December 18, 2020 by Pachulski Stang Ziehl & Jones, LLP ("**Counsel**") on behalf of Howard M. Ehrenberg in his capacity as liquidating trustee of Orion Healthcorp, Inc, et al. ("**Orion**" or "**Debtors**").[2] B. Riley Advisory was retained to provide business valuation and litigation support services. Specifically, we have been asked to: (a) review various financial and other business records associated with Orion and (b) perform a solvency analysis of Orion.

2. I previously issued a report on February 19, 2021 in a related matter with the same Debtors and Plaintiff, in which matter the Defendant was Howard M. Schoor.

3. In order to perform this engagement, I relied on other B. Riley Advisory professionals with extensive experience in financial analysis, forensic accounting, business valuation and corporate finance, all of whom worked under my direct supervision and control. I have relied on the work of these B. Riley Advisory professionals to support my review of information related to this matter, and any references to "our" and "we" recognize this reliance.

4. Any minor differences in the amounts calculated or referenced in supporting documentation or schedules to this report are due to rounding.

5. I reserve the right to revise and supplement my analyses, opinions and report to the extent additional relevant information becomes available.

6. The opinions presented in this report are based on my review of the documents, the financial and valuation analyses referred to in this report and contained in the attached schedules, independent research and my past experience, education, training and

[1] As of September 14, 2020, GlassRatner is known as B. Riley Advisory Services.

[2] The term Debtors includes several other entities as set forth on the title page of the Complaint (defined in paragraph 10 below).

professional judgment, all of which are regularly relied upon by Courts and other triers of fact in matters such as this.

B. Conclusion

7. Based on the analyses we performed, it is my opinion that as of the Measurement Date of May 25, 2017 (described below), Orion was **INSOLVENT**.

II. Scope of Review

8. My review was based on documents and information referred to in **Appendix B** of this report.

9. Part of my review included the preparation of various valuation analyses and calculations. All of the valuation work performed in this engagement has been prepared in accordance with the business valuation standards of the American Institute of Certified Public Accountants Statement of Standards for Valuation Services. Furthermore, all of the valuation analyses and methodologies applied herein are fully consistent with the generally accepted body of knowledge in the area of business valuation.

III. About the Litigation

10. This report has been prepared in connection with the Complaint filed in the United States Bankruptcy Court, Eastern District of New York captioned as *In re: Orion Healthcorp, Inc., Debtors* (Case No. 18-71748); *Howard H. Ehrenberg in his Capacity as Liquidating Trustee of Orion Healthcorp, Inc., et al. v. Abruzzi Investments, L.L.C.; [and] John Petrozza* (Case No. 20-8052) (the "**Complaint**").

Overview of the General Allegations

11. Plaintiff alleges that on May 25, 2017 (the "**Measurement Date**") Orion made a payment to the Defendants (the "**Transfer**"). Plaintiff further alleges the following regarding the Transfer:

    a. Orion was insolvent on the Measurement Date.[3]

[3] Complaint at 23.

b. Orion received no value in exchange for the Transfer.[4]

c. The Transfer should be avoided as an intentionally and constructively fraudulent transfer pursuant to § 548(a)(1)(A) and (B) and NY Debt & Cred L § 276, et al.[5]

IV. Orion Description and Relevant History

Business Segments

12. Orion is a group of companies that provide outsourced business services to physicians. Orion was formed through a series of acquisitions.

13. As of the Measurement Date, Orion operated in the following business segments:

a. Revenue Cycle Management (“**RCM**”). Orion operated a revenue cycle management business that provided hospital-based and office-based physicians with medical billing and services, allowing physicians to focus more time on patient care. RCM services included coding, reimbursement services, charge entry, claims submission, collections, and financial reporting services. The goal of Orion’s RCM services was to increase client cash flows by reducing administrative costs.[6]

b. Physician Practice Management (“**PPM**”). Orion’s PPM business provides business and practice management services to certain primary care and subspecialty pediatric practices. These services include accounting and bookkeeping, human resource management, group purchasing, accounts receivable management, quality assurance services, physician credentialing, fee schedule review, training and education, and billing and reimbursement analysis for physician practices.[7]

c. Group Purchasing Organization (“**GPO**”). Orion’s GPO services allows eligible physicians to participate in discounts for vaccines and flu shots offered by certain pharmaceutical companies.[8]

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[4] Complaint at 24.

[5] Complaint at 27.

[6] Declaration of Timothy J. Dragelin in Support of Chapter 11 Petitions and First Day Motions filed March 16, 2018 (the Dragelin Declaration”) at 41.

[7] Dragelin Declaration at 47.

[8] Dragelin Declaration at 50.

d. Independent Practice Association ("**IPA**"). Orion's IPA business is organized and directed by physicians in private practice to negotiate contracts with insurance companies on their behalf while physicians remain independent, and which also provides other services to physician practices.[9]

14. Orion's RCM business historically utilized third party vendors for back office services such as claims and payment processing services. According to our interview with Frank Lazzara, formerly of FTI Consulting, Inc.("**FTI**"), Orion used GS Infotech for such services through late 2014. Orion subsequently switched third party providers to Porteck India Infoservices Private Limited ("**Porteck**"). The migration process from GS Infotech to Porteck was costly and will be referenced for consideration of income statement adjustments discussed below.

15. From 2015 through the Measurement Date, Orion's senior officers were:

a. Parmjit Parmar, a/k/a Paul Parmer, was the Chief Executive Officer of the Debtor and Constellation Healthcare Technologies, Inc. ("**CHT**"), the parent company of the Debtor.[10]

b. Sotiros Zaharis, a/k/a Sam Zaharis, was CHT's Chief Financial Officer.

c. Ravi Chivukula, was CHT's Controller and Secretary.

Relevant Dates to this Matter

16. On May 24, 2017, Mr. Parmar directed the Debtor to wire $250,000 to the Defendants, with the funds being transferred the following day (i.e., the Measurement Date of May 25, 2017).[11]

17. The Complaint alleged the Debtor's Transfer was made for no legitimate business purpose and was orchestrated by Parmar for his personal use.[12]

[9] Dragelin Declaration at 51.
[10] Mr. Parmar was also the CEO of the Debtor's parent company, Constellation Healthcare Technologies, Inc.
[11] Complaint at 17 and 19. The Complaint at 19 states that "…on May 25, 2017, the Debtor wire transferred $250,000…from an off-balance sheet account to Defendant Abruzzi Investments, LLC as directed by Petrozza…" I was provided with a statement for Abruzzi Investments LLC for an account held at U.S. Trust (Exhibit PET 0022) (the "**U.S. Trust Account**").
[12] Complaint at 18 and 25.

18. The Plaintiff claims the Transfer should be avoided as an intentionally or constructively fraudulent transfer pursuant to § 548(a)(1)(A) and (B) and NY Debt & Cred L § 276, et al.[13]

Other Relevant Dates

19. On December 8, 2014, CHT issued a public offering of its common stock on the London Stock Exchange's Alternative Investment Market ("**AIM**").[14]

20. On March 17, 2015, CHT acquired Physicians Practice Plus, LLC ("**Physicians Practice Plus**") for consideration of up to $20 million in the form of earn-outs. However, a portion of the purchase price was contingent upon Physician Practice Plus meeting certain revenue and earnings targets before interest, taxes, depreciation, and amortization ("**EBITDA**") targets over a 24-month period. Orion became the holding company for the operating subsidiaries of this business.[15]

21. In May 2015, CHT raised approximately $20 million in a secondary offering for the stated purposes of allowing for certain acquisitions discussed below.[16]

22. On September 16, 2015, CHT acquired NorthStar First Health, LLC ("**NorthStar**") for a maximum consideration of $18.0 million. The purchase consideration was 64% cash and 36% in shares of CHT common stock. According to the Dragelin Declaration, the actual purchase price was for a maximum consideration of approximately $2.8 million, of which only approximately $2.3 million was actually paid.[17]

23. On September 18, 2015, CHT acquired Phoenix Health LLC ("**Phoenix**") for a maximum consideration of $14.0 million. The purchase price consideration was 75% in cash and 25% in CHT common stock. According to the Dragelin Declaration, Phoenix was an entity created by Mr. Parmar that had no assets and no business operations.[18]

[13] Complaint at 27, 29 and 30.
[14] Dragelin Declaration at 19-20.
[15] Dragelin Declaration at 21.
[16] Dragelin Declaration at 22.
[17] Dragelin Declaration at 23.
[18] Dragelin Declaration at 24.

24. On December 11, 2015, CHT announced a secondary offering that resulted in gross proceeds of approximately $45.0 million and net proceeds of approximately $42.2 million.[19]

25. On December 23, 2015, Mr. Parmar instructed Mr. Zaharis to transfer $545,000 by wire transfer from Orion's M&T Bank account to the account of Lustrin Tetelman, LLP, attorneys for Clodagh Bowyer Greene and Elliott Greene, the sellers (the "**Sellers**") of a condominium located at Two River Terrace in New York City (the "**Condominium**").[20]

26. On February 10, 2016, CHT acquired MDRX Billing LLC ("**MDRX**") for $28.0 million with a further $2.0 million in cash due upon meeting certain targets. According to the Dragelin Declaration, MDRX had no assets and no business operations.[21]

27. On February 19, 2016, the remaining balance for the purchase of the Condominium and closing costs in the amount of $5,058,408.81 was wired out of Orion's M&T Bank account to Robinson Brog Leinwand Greene LLP ("**Robinson Brog**").[22]

28. On September 23, 2016, CHT acquired Vega Medical Professionals LLC ("**Vega**") for a maximum consideration of $24.0 million including certain considerations in the form of earn-outs. The purchase consideration was 78% cash and 22% in shares of CHT common stock. According to the Dragelin Declaration, the purchase price was significantly overstated by Debtor's management, which was $4.68 million and not $24.0 million.[23]

29. At this point CHT was the holding company of Orion, which owned 18 subsidiaries.[24]

30. On November 24, 2016, CHT Holdco, LLC ("**CHT Holdco**") entered into an agreement to acquire CHT's common stock for $3.36 per share payable in cash and promissory notes.[25]

31. On January 18, 2017, CHT's shareholders approved the merger agreement between CHT Holdco and CHT.[26] Shortly thereafter, on February 3, 2017, $46 million was transferred to an account at the law firm of Robinson Brog Leinwand Greene Genovese & Gluck, P.C..

[19] Dragelin Declaration at 25.
[20] Daniel Jones Affidavit at 4.
[21] Dragelin Declaration at 26.
[22] Daniel Jones Affidavit at 5. The firm is currently named Robinson Brog Leinwand Greene Genovese & Gluck PC.
[23] Dragelin Declaration at 27 and footnote 11 (note that "Medial" appears to be a typo of "Medical").
[24] Dragelin Declaration at 28 (note that "eight" on line 3 of this paragraph appears to be a typo of "eighteen").
[25] Dragelin Declaration at 29.
[26] Dragelin Declaration at 30.

Within one week, approximately $17 million was transferred out of this account. On March 15, 2017, the FBI seized $20 million [27]

32. In October 2017, Timothy J. Dragelin of FTI was appointed as Orion's Chief Executive Officer and Chief Restructuring Officer.[28]

33. On March 16, 2018 the Debtors (with the exception of New York Network Management) filed for chapter 11 bankruptcy.[29]

34. In 2018, Mr. Parmer, Mr. Zaharis and Mr. Chivukuola were indicted for creating fictitious business entities, balance sheets, doctored bank statements, fabricating customers and making sham acquisitions for the purpose of misappropriating the Debtor's assets (the "**Allegations**").[30]

35. In 2018, MTBC, Inc. ("**MTBC**") acquired the assets of Orion Healthcorp, Inc. and thirteen of its subsidiaries for $12.6 million in cash.[31]

V. Financial Analysis of Orion

36. The review of any business includes performing a detailed financial analysis of the subject company. Financial analysis is the process of summarizing, synthesizing, comparing, and interpreting financial data and other relevant information in order to assess a company's present performance and future prospects.

37. This section of the report discusses our analysis of Orion's consolidated 2015 and 2016 financial statements. Since I was not provided with audited financial statements for Orion, I relied on the Company's tax returns and other internal financial reports.[32]

[27] Source: Robinson Brog IOLA Quick Report.
[28] Dragelin Declaration at 1.
[29] Complaint at 4.
[30] Complaint at 14.
[31] MTBC Form 10-K as of December 31, 2018, p. 3.
[32] I relied upon the Company's amended 2015 income tax return that was filed after the Company entered bankruptcy protection.

A. Balance Sheet

38. We reviewed the amended 2015 tax return and the 2016 tax return to assess the balance sheet activity of Orion on a consolidated basis. This analysis can be found in detail on **Schedule 7.2**. **Table 1** below summarizes the consolidated balance sheet activity of Orion at December 31, 2015 and December 31, 2016.

Table 1

Consolidated Historical Balance Sheet				
Description	**Amended Orion Healthcorp Inc. & Subs FYE 2015**[1]		**Consolidated Orion Healthcorp, Inc. FYE 2016**[2]	
Assets				
Cash	$ 2,409,919	2.6%	$ 1,044,359	0.8%
Trade Notes and A/R	15,541,299	17.1%	8,143,392	6.1%
Less: allowances for Bad Debt	(1,578,617)	-1.7%	(1,154,715)	-0.9%
Inventory	249,430	0.3%	300,809	0.2%
US Gov. Obligations	-	0.0%	-	0.0%
Tax-Exempt Securities	-	0.0%	-	0.0%
Other Current Assets	395,191	0.4%	2,734,803	2.0%
Loans to Stockholders	-	0.0%	-	0.0%
Mtge and Real Estate Loans	-	0.0%	-	0.0%
Other Investments	-	0.0%	-	0.0%
Buildings and Other Depr. Assets	17,668,323	19.4%	14,405,426	10.8%
Less. Accum. Depreciation	(8,444,040)	-9.3%	(4,872,353)	-3.6%
Depletable Assets	-	0.0%	-	0.0%
Land, net	-	0.0%	-	0.0%
Intangible Assets	38,288,546	42.1%	98,336,909	73.4%
Less. Accum. Amortization	(6,694,009)	-7.4%	(7,520,913)	-5.6%
Other Assets	33,173,528	36.5%	22,472,146	16.8%
Total Assets	**$ 91,009,570**	100.0%	**$133,889,863**	100.0%
Liabilities & Equity				
Accounts Payable	$ 3,910,933	4.3%	$ 10,303,874	7.7%
Current Interest Bearing Debt	4,631,771	5.1%	208,569	0.2%
Other Current Liabilities	9,338,271	10.3%	109,790,852	82.0%
Loans from Stockholders	1,628,998	1.8%	884,833	0.7%
Long-term Debt	10,290,577	11.3%	12,381,666	9.2%
Other Liabilities	17,911,073	19.7%	18,231,992	13.6%
Total Liabilities	**$ 47,711,623**	52.4%	**$151,801,786**	113.4%
Capital Stock - Preferred	$ -	0.0%	$ -	0.0%
Capital Stock - Common	6,500	0.0%	8,583	0.0%
Additional Paid-in Capital	137,426,624	151.0%	94,984,935	70.9%
Retained earnings-appropriated	-	0.0%	-	0.0%
Retained earnings-unappropriated	(94,135,177)	-103.4%	(112,905,441)	-84.3%
Adjustments to Shareholder's Equity	-	0.0%	-	0.0%
Less cost of Treasury Stock	-	0.0%	-	0.0%
Total Equity	**$ 43,297,947**	47.6%	**$ (17,911,923)**	-13.4%
Total Liabilities & Equity	**$ 91,009,570**	100.0%	**$133,889,863**	100.0%

Notes:

[1] Orion Healthcorp, Inc. Amended 2015 Tax Return.

[2] Orion Healthcorp, Inc. 2016 Tax Return.

39. Our review and analysis of the Company's December 31, 2015 and December 31, 2016 balance sheets revealed the following observations:

a. Orion’s gross accounts receivable balance decreased 47.6% from $15,541,299 at December 31, 2015 to $8,143,392 at December 31, 2016.

b. Orion’s other current assets increased from $395,191 at December 31, 2015 to $2,734,803 at December 31, 2016, an increase of 592.0%.

c. Orion’s gross intangible assets increased 156.8% from $38,288,546 at December 31, 2015 to $98,336,909 at December 31, 2016. Most of this increase was in the form of intangible assets, related to acquisitions discussed in this report.

d. Orion’s other long-term assets decreased 32.3% from $33,173,528 at December 31, 2015 to $22,472,146 at December 31, 2016.

e. The Company’s total assets increased 47.1% from $91,009,570 at December 31, 2015 to $133,889,863 at December 31, 2016.

f. Orion’s accounts payable increased 163.5% from $3,919,933 at December 31, 2015 to $10,303,874 at December 31, 2016.

g. Orion’s current portion of interest-bearing debt decreased 95.5% from $4,631,771 at December 31, 2015 to $208,569 at December 31, 2016.

h. Orion’s other current liabilities increased 1,075.7% from $9,338,271 at December 31, 2015 to $109,790,852 at December 31, 2016. See paragraph 60a for further discussion of this anomaly.

i. Orion’ long-term debt increased 20.3% from $10,290,577 at December 31, 2015 to $12,381,666 at December 31, 2016.

j. Orion’s other long-term liabilities increased 1.8% from $17,911,073 at December 31, 2015 to $18,231,992.

k. Orion’s total liabilities increased 218.2% from $47,711,623 at December 31, 2015 to $151,801,786 at December 31, 2016.

l. Orion’s total shareholder equity decreased 141.4% from $43,297,947 at December 31, 2015 to a deficit of $17,911,923 at December 31, 2016.

40. Overall, Orion’s balance sheet experienced a material deterioration from December 2015 to December 2016. The Company’s current assets declined as accounts receivable were collected or written off at a faster pace than new customer receivables were created. This meant Orion’s liquidity weakened during the 12-month period. The Company’s intangible

assets, primarily Goodwill, increased by a significant amount, which was primarily due to the numerous acquisitions made by Orion during 2016. However, these Goodwill assets had little or no meaningful value due to the alleged sham nature of several transactions.

41. To better understand the Company's worsening financial distress, we need also analyzed Orion's capital structure. During the twelve months ended December 31, 2016, the Company's current liabilities increased approximately $102 million as reported. Current liabilities are defined as liabilities to be paid within the next twelve months. Since the Company's current assets declined during the same period, this meant Orion's ability to meet its ongoing obligations was significantly impaired.

42. Finally, due to the Company's operating losses incurred through 2016, Orion's shareholder capital was completely eliminated to the point where it had a negative book value of equity by December 31, 2016.

B. Income Statement

43. When analyzing the financial performance of Orion, we reviewed the income statements provided in the 2015 amended tax return and the 2016 tax return. Additionally, we were also provided with adjusted profit and loss statements for the years ending December 31, 2015 and December 31, 2016 that were prepared by FTI. The FTI adjusted financial statements provided greater level of detail than the tax returns and were therefore the focus of our profit and loss analysis.

44. **Table 2** below summarizes the income statement for Orion for the twelve-month periods ending December 31, 2015 and December 31, 2016.

Table 2

Adj. Consolidated Orion Healthcorp, Inc. Profit and Loss Statement						
Description	Adj. Consolidated Orion Healthcorp, Inc. Profit and Loss Statement FYE 12/31/2015[1]			Adj. Consolidated Orion Healthcorp, Inc. Profit and Loss Statement FYE 12/31/2016[2]		
	$		%	$		%
Revenue	**$**	**55,490,216**	100.0%	**$**	**53,936,035**	100.0%
Total Revenue	**$**	**55,490,216**	100.0%	**$**	**53,936,035**	100.0%
Operating Expenses:						
Salaries and Benefits	$	18,576,559	33.5%	$	22,434,628	41.6%
Facility Rent and Related Costs		3,099,693	5.6%		2,880,672	5.3%
Depreciation		1,284,608	2.3%		2,582,067	4.8%
Amortization		3,201,757	5.8%		9,217,893	17.1%
Professional and Consulting Fees		17,107,944	30.8%		15,561,441	28.9%
Management Fees Inter Company		-	0.0%		-	0.0%
Insurance		435,427	0.8%		583,882	1.1%
Provision for Doubtful Accounts		733,764	1.3%		2,239,825	4.2%
Vaccines and Medical Supplies		4,417,260	8.0%		4,796,524	8.9%
Office and Computer Supplies		226,948	0.4%		299,649	0.6%
Postage and Courier		1,830,631	3.3%		1,963,024	3.6%
Other		4,317,315	7.8%		4,793,491	8.9%
Total operating expenses	**$**	**55,231,907**	99.5%	**$**	**67,353,097**	124.9%
Income From Operations	**$**	**258,309**	0.5%	**$**	**(13,417,061)**	-24.9%
Other income (expenses):						
Interest Expense		(2,579,398)	-4.6%		(1,656,908)	-3.1%
Change in Fair Value of Contingent Consideration		(537,199)	-1.0%		(4,173,331)	-7.7%
Early Extinguishment of Debt		-	0.0%		(6,410,566)	-11.9%
Other Expense, Net		(4,691,539)	-8.5%		(22,734,144)	-42.2%
Total Other Income (Expenses), Net	**$**	**(7,808,136)**	-14.1%	**$**	**(34,974,948)**	-64.8%
Income Before Provision For Income Taxes	**$**	**(7,549,827)**	-13.6%	**$**	**(48,392,010)**	-89.7%
Provision for Income Taxes		4,367,999	7.9%		(1,649,262)	-3.1%
Net income	**$**	**(11,917,826)**	-21.5%	**$**	**(46,742,748)**	-86.7%
Other Comprehensive Loss		-	0.0%		659	0.0%
Comprehensive Income	**$**	**(11,917,826)**	-21.5%	**$**	**(46,743,407)**	-86.7%

45. Our analysis of Orion's 2015 and 2016 income statements revealed the following observations about the Company's operating performance:

a. Orion's revenue declined 2.8% from $55,490,216 in 2015 to $53,936,035 in 2016.

b. Orion's operating expenses increased 22.0% from $55,231,907 in 2015 to $67,353,097 in 2016.

c. Orion's "other" expenses increased 347.9% from $7,808,136 in 2015 to $34,974,948 in 2016.

d. Orion's net earnings decreased 292.2% from negative $11,917,826 in 2015 to negative $46,742,748 in 2016.

46. Orion's operating performance in 2016 showed a significant decline. Despite a modest revenue decline of approximately $1.6 million during 2016, the Company's total expenses increased by approximately $39.3 million during the same period, a significant decrease in profitability.

47. Despite making a number of acquisitions during 2016, the Company was unable to generate any additional revenues from these acquisitions; in fact, they actually generated less revenue than 2015. At the very least, this fact illustrated the fictitious nature of Orion's acquisitions during 2016.

C. Working Capital

48. Working capital is defined as current assets less current liabilities and is a fundamental measurement of a company's financial health and short-term liquidity.

49. While some industries can operate with minimal, and in some cases negative, working capital, they are typically businesses with cash sales that rapidly turnover their inventory and have no accounts receivable. However, consulting and service firms like Orion required certain amounts of working capital to fund their daily operations.

50. According to industry data, consulting services companies required working capital levels approaching 18.0% of annual revenue.[33] However, as shown below in **Table 3**, the Company's working capital was clearly deficient relative to its industry peers. The working capital deficit further illustrated the Company's financial distress in 2015 and 2016.

[33] Per Integra Five-year Industry Report for SIC 8742 - Management Consulting Services working capital to Sales is approximately 18%.

Table 3

Orion Healthcorp, Inc. Net Working Capital Analysis		
Description	**12/31/2015**	**12/31/2016**
Net Revenue[1]	$ 55,490,216	$ 53,936,035
Adj. Current Assets[2]		
Cash	$ 2,409,919	$ 1,044,359
Net Accounts Receivable	13,962,682	6,988,677
Inventory	249,430	300,809
Other Current Assets	395,191	2,734,803
Total Adj. Current Assets	$ 17,017,222	$ 11,068,648
Adj. Current Liabilities[2]		
Accounts Payable	$ 3,910,933	$ 10,303,874
Current Interest Bearing Debt	4,631,771	208,569
Other Current Liabilities	9,338,271	10,715,352
Adj. Total Current Liabilities	$ 17,880,975	$ 21,227,795
Net Working Capital ("NWC")	**$ (863,753)**	**$ (10,159,147)**
NWC as a % of Revenue	*-1.56%*	*-18.84%*
Selected Normalized NWC as a % of Revenue[3]		***18.0%***
Normalized Working Capital	$ 9,988,239	$ 9,708,486
Implied Working Capital Surplus (Deficit)	**$ (10,851,992)**	**$ (19,867,633)**

51. **Table 3** above demonstrates that Orion had negative working capital of $863,753 at December 31, 2015 and negative working capital of $10,159,147 at December 31, 2016 (after consideration of the normalization adjustments described in the following section). This working capital deficit helps illustrate how much the financial health of Orion deteriorated from 2015 to 2016. This demonstrates that Orion did not have sufficient capital to fund short term operations or investments and needed additional funding to achieve the required level of working capital.

D. Normalizing Adjustments

52. A key concept in valuation is the normalization of a company's financial statements. Normalizing the financial statement is typically a recasting of the subject company's

financial statements with the exclusion or addition of certain items. Typically, there are two types of adjustments:[34]

a. Normalization Adjustments – "changes made to a private company's earnings to translate to a 'reasonably well run, public company equivalent basis.'"

b. Control Adjustments – changes made for "'i) the economies and efficiencies of the typical financial buyer and ii) the synergies or strategies of [a] particular buyer.'"

53. Normalization adjustments are used to exclude unusual, extraordinary or non-recurring items from a company's financial statements. Control adjustments are typically made when assessing the value of having a controlling ownership interest in a company. These adjustments result in an indication of earnings and cash flow attributable to the ownership of the subject company.

54. Our analysis of Orion's financial statements indicated a need for certain normalization adjustments as described below.

[34] Willamette Management Associates' Valuation Practices and Procedures Insights: Implementing Normalization Adjustments.

Table 4

Orion Healthcorp, Inc. Normalized Income Statement				
Description	**FYE 2015[1]**		**FYE 2016[1]**	
Net Revenue	$ 55,490,216	100.0%	$ 53,936,035	100.0%
COGS	-	0.0%	-	0.0%
Gross Profit	$ 55,490,216	100.0%	$ 53,936,035	100.0%
General & Administrative Expenses	$ 55,231,907	99.5%	$ 67,353,097	124.9%
Net Operating Income	$ 258,309	0.5%	$(13,417,061)	-24.9%
Plus Other Income (Expenses)	$ (7,808,136)	-14.1%	$(34,974,948)	-64.8%
Income Before Provision for Income Taxes	**$ (7,549,827)**	-13.6%	**$(48,392,010)**	-89.7%
Less: Income Tax Provision	$ 4,367,999	7.9%	$ (1,649,262)	-3.1%
Less: Other Comprehensive Loss	-	0.0%	659	0.0%
Comprehensive Net Income	**$(11,917,826)**	-21.5%	**$(46,743,407)**	-86.7%
Add Back:				
Plus: Interest	$ 2,579,398	4.6%	$ 1,656,908	3.1%
Federal Tax expense	1,645,978	3.0%	3,283,866	6.1%
State and Local Tax	960,090	1.7%	700,000	1.3%
Deferred Tax Expense	1,841,425	3.3%	-	0.0%
Deferred Tax Benefit	(79,494)	-0.1%	(5,633,128)	-10.4%
Plus: Depreciation	1,284,608	2.3%	2,582,067	4.8%
Plus: Amortization	3,201,757	5.8%	9,217,893	17.1%
EBITDA	**$ (484,064)**	-0.9%	**$(34,935,801)**	-64.8%
Normalizing Adjustments				
Add Back:				
Consulting Fees	$ 1,123,116	2.0%	$ 865,893	1.6%
Professional Fees	3,246,391	5.9%	6,111,720	11.3%
Purchased Services	1,480,059	2.7%	-	0.0%
Normalized Executive Compensation	(475,907)	-0.9%	(487,805)	-0.9%
Contract Labor	3,461,669	6.2%	343,441	0.6%
Bad Debt Expense	733,764	1.3%	2,239,825	4.2%
Normalized Bad Debt Expense	(221,961)	0.4%	(215,744)	0.4%
Early Extinguishment of Debt	-	0.0%	6,265,566	11.6%
Debt Fees	-	0.0%	145,000	0.3%
Other Expense	2,831,539	5.1%	361,927	0.7%
Acquisition Fees	1,860,000	3.4%	22,372,216	41.5%
Total Adjustments	$ 14,038,670	25.3%	$ 38,002,039	70.5%
Normalized EBITDA	**$ 13,554,606**	24.4%	**$ 3,066,238**	5.7%

Notes:
[1] See Schedule 7.0.

55. In **Table 4** above, we adjusted the following items:

a. Consulting Fees. We added back consulting fees, which represented discretionary fees to management, based on our interview with Mr. Lazzarra.

b. Professional Fees. We added back professional fees, which represented discretionary fees to management, based on our interview with Mr. Lazzarra.

c. Purchased Services. We added back purchased services based upon our interview with Mr. Lazzara. Since these expenses only occurred in 2015, it is likely they are related to the Porteck migration, and therefore represent a non-recurring expense.

d. Contract Labor. We added back contract labor because these were non-recurring fees that we understand from our interview with Mr. Lazzarra were related to the Porteck migration.

e. Executive Compensation. After adding back consulting and professional fees, we deducted a normalized level of expenditure related to executive compensation. We assumed that Paul Parmar's 2017 contract contained a normalized compensation level and deflated this amount back to 2015 and 2016 levels for those years.[35]

f. Bad Debt Expense. Orion had unusually high bad debt expense compared to industry metrics. Therefore, we normalized the bad debt expense by adding back the reported expense and subtracting normalized bad debt expense of 0.4% based on industry data.[36] I note that this is a conservative adjustment from the point of view that a poorly run company such as Orion might be expected to have above-average levels of bad debt expense.

g. Early Extinguishment of Debt. We added back the early extinguishment of debt because it was a non-recurring expense.

h. Debt Fees. The debt fees are related to the early extinguishment of debt and were added back as a non-recurring expense.

i. Other Expense. We added back the other expense account because it was grouped in the "Other Expense" category of the income statement after operating income. Therefore, we concluded that these expenses were not related to the operations of the company and should be normalized.

[35] Paul Parmar's Employment Agreement Dated November 24, 2016.
[36] Integra Five-year Industry Report for SIC 8742 - Management Consulting Services.

j. Acquisition Fees. We added back acquisition fees because these were non-recurring expenses.

k. Federal Tax Expense. We added back federal tax expense because in the adjusted financial statements, Orion had negative net income and would not incur federal tax expenses.

l. State and Local Tax. Similarly, we added back state and local tax expenses because Orion's adjusted financial statements resulted in negative net income and Orion would not have incurred incur state and local tax expense.

m. Deferred Tax Expense. We added back the deferred tax expense as a non-recurring expense for Orion.

n. Deferred Tax Benefit. We added back the deferred tax benefit as a non-recurring benefit for Orion.

56. After normalizing the historical operations of Orion, Orion earned EBITDA of approximately $13,554,606 the fiscal year ended December 31, 2015 and $3,066,238 for the fiscal year ended December 31, 2016.

57. **Table 5 and 6** below summarized our adjustments to Orion's balance sheet at December 31, 2015 and December 31, 2016.

Table 5

Orion Healthcorp, Inc. Normalized Balance Sheet			
Description	**As of 12/31/2015**	**Adjustments**	**Adjusted Balance Sheet as of 12/31/2015**
Assets			
Cash	$ 2,409,919	$ -	$ 2,409,919
Trade Notes and A/R	15,541,299	-	15,541,299
Less: allowances for Bad Debt	(1,578,617)	-	(1,578,617)
Inventory	249,430	-	249,430
US Gov. Obligations	-		-
Tax-Exempt Securities	-		-
Other Current Assets	395,191	-	395,191
Loans to Stockholders	-	-	-
Mtge and Real Estate Loans	-	-	-
Other Investments	-	-	-
Buildings and Other Depr. Assets	17,668,323	-	17,668,323
Less. Accum. Depreciation	(8,444,040)	-	(8,444,040)
Depletable Assets	-	-	-
Land, net	-	-	-
Intangible Assets	38,288,546	-	38,288,546
Less. Accum. Amortization	(6,694,009)	-	(6,694,009)
Other Assets	33,173,528	-	33,173,528
Total Assets	**$ 91,009,570**	**$ -**	**$ 91,009,570**
Liabilities & Equity			
Accounts Payable	$ 3,910,933	$ -	$ 3,910,933
Current Interest Bearing Debt	4,631,771	-	4,631,771
Other Current Liabilities	9,338,271	-	9,338,271
Loans from Stockholders	1,628,998	(1,628,998)	-
Long-term Debt	10,290,577	-	10,290,577
Other Liabilities	17,911,073	-	17,911,073
Total Liabilities	**$ 47,711,623**	**$(1,628,998)**	**$ 46,082,625**
Capital Stock - Preferred	-	-	-
Capital Stock - Common	6,500	-	6,500
Additional Paid-in Capital	137,426,624	-	137,426,624
Retained earnings-appropriated	-	-	-
Retained earnings-unappropriated	(94,135,177)	-	(94,135,177)
Adjustments to Shareholder's Equity	-	-	-
Less cost of Treasury Stock	-	-	-
Loans from Stockholders	-	1,628,998	1,628,998
Total Equity	**$ 43,297,947**	**$ 1,628,998**	**$ 44,926,945**
Total Liabilities & Equity	**$ 91,009,570**	**$ -**	**$ 91,009,570**

58. In **Table 5** above, we adjusted Loans from Stockholders and assumed these funds would otherwise be financed by a third-party lender.

59. **Table 6** below summarizes the normalizing adjustments we made to Orion's balance sheet as of December 31, 2016.

Table 6

Orion Healthcorp, Inc. Normalized Balance Sheet			
Description	**As of 12/31/2016**	**Adjustments**	**Adjusted Balance Sheet as of 12/31/2016**
Assets			
Cash	$ 1,044,359	$ -	$ 1,044,359
Trade Notes and A/R	8,143,392	-	8,143,392
Less: allowances for Bad Debt	(1,154,715)	-	(1,154,715)
Inventory	300,809	-	300,809
US Gov. Obligations	-		-
Tax-Exempt Securities	-		-
Other Current Assets	2,734,803	-	2,734,803
Loans to Stockholders	-	-	-
Mtge and Real Estate Loans	-	-	-
Other Investments	-	-	-
Buildings and Other Depr. Assets	14,405,426	-	14,405,426
Less. Accum. Depreciation	(4,872,353)	-	(4,872,353)
Depletable Assets	-	-	-
Land, net	-	-	-
Intangible Assets	98,336,909	-	98,336,909
Less. Accum. Amortization	(7,520,913)	-	(7,520,913)
Other Assets	22,472,146	-	22,472,146
Total Assets	**$ 133,889,863**	**$ -**	**$ 133,889,863**
Liabilities & Equity			
Accounts Payable	$ 10,303,874	$ -	$ 10,303,874
Current Interest Bearing Debt	208,569	-	208,569
Other Current Liabilities	109,790,852	(99,075,500)	10,715,352
Loans from Stockholders	884,833	(884,833)	-
Long-term Debt	12,381,666	99,075,500	111,457,166
Other Liabilities	18,231,992	-	18,231,992
Total Liabilities	**$ 151,801,786**	**$ (884,833)**	**$ 150,916,953**
Capital Stock - Preferred	-	-	-
Capital Stock - Common	8,583	-	8,583
Additional Paid-in Capital	94,984,935	-	94,984,935
Retained earnings-appropriated	-	-	-
Retained earnings-unappropriated	(112,905,441)	-	(112,905,441)
Adjustments to Shareholder's Equity	-	-	-
Less cost of Treasury Stock	-	-	-
Loans from Stockholders	-	884,833	884,833
Total Equity	**$ (17,911,923)**	**$ 884,833**	**$ (17,027,090)**
Total Liabilities & Equity	**$ 133,889,863**	**$ -**	**$ 133,889,863**

60. In **Table 6** above, we adjusted the following for the December 31, 2016 balance sheet:

a. Other Current Liabilities. We adjusted $99,075,500 of current liabilities and moved them to long-term liabilities. We assume this was related to intercompany loans that would otherwise be financed by a third-party lender.[37]

b. Loans from Stockholders. We normalized Loans from Stockholders and assumed these funds should be classified as equity. This reflects that these loans were not being repaid over time and had no formal loan agreements.

61. These liabilities were moved to long-term debt and ultimately decreased current liabilities by $99,075,500 and normalized Orion's long-term debt to a total of $111,457,166. These adjustments impact Orion's normalized working capital position in addition to Orion's interest expense, which are discussed later in this report.

VI. Solvency Opinion Overview

A. Solvency Definition

62. In connection with the claims in this matter, I was asked to perform a solvency opinion in order to determine whether Orion was solvent at the time of the Transfer. A solvency opinion is the opinion of a financial advisor as to whether a company is solvent under certain specified conditions.

63. Solvency opinions are frequently sought by parties such as company management, boards of directors, professional advisors, and other fiduciaries in order to demonstrate that they acted prudently in implementing the subject transaction.

64. In performing my assignment, I was asked to provide a solvency opinion of Orion after the Transfer was made.

B. The Three Solvency Tests

65. In order to assess the solvency of Orion, I performed three tests: The Balance Sheet Test, the Capital Adequacy Test, and the Cash Flow Test.

[37] Orion Healthcorp, Inc. 2016 Tax Return. The tax showed on the Company's entities had a combined intercompany loan amount of $45,661,290. However, the consolidation of the entities also included Other Current Liabilities adjustment of $53,414,210. Since this adjustment had no detail, we assumed it was related to the intercompany loans, the single largest item in Other Current Liabilities.

66. Solvency is a company's ability to meet its long-term financial obligations. In order to evaluate a company's solvency, it must pass three tests:

    a. The Balance Sheet Test, pursuant to which a debtor is insolvent when the sum of its debts is greater than all of its property at a "fair valuation." Although the term fair valuation is not defined in the Bankruptcy Code, when employing the Balance Sheet Test of insolvency, it is generally accepted that fair valuation is represented by Fair Market Value as further defined below.

    b. The Cash Flow Test, which assess whether the Company can meet its normalized operating and debt services needs as they fall due; and

    c. The Capital Adequacy Test, which assess the financial health and solvency of the Company by comparing the Company's financial performance to industry norms.

67. New York Consolidated Laws, Debtor and Creditor Law defines insolvency as follows:[38]

    a. A person is insolvent when the present fair salable value of his assets is less than the amount that will be required to pay his probable liability on his existing debts as they become absolute and matured.

    b. In determining whether a partnership is insolvent there shall be added to the partnership property the present fair salable value of the separate assets of each general partner in excess of the amount probably sufficient to meet the claims of his separate creditors, and also the amount of any unpaid subscription to the partnership of each limited partner, provided the present fair salable value of the assets of such limited partner is probably sufficient to pay his debts, including such unpaid subscription.

68. The three solvency tests described above consider similar factors to the New York law definition. If a company fails any one of the three solvency tests, the company is considered to be insolvent.

C. Solvency Opinion Conclusions

69. The result of my solvency analyses is that Orion was **INSOLVENT** after the payment of the Transfer.

[38] New York Consolidated Laws, Debtor and Creditor Law - DCD § 271.

VII. Balance Sheet Test (First Solvency Test)

70. In order to complete the Balance Sheet Test, we must first assess the Fair Market Value of the Company's assets.

A. Valuation Parameters

71. The standard of value typically applied in a Solvency Analysis is "Fair Market Value," which is defined as:

> *The price, expressed in terms of cash equivalents, at which the property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.*[39]

72. The premise of value is the overall assumption regarding the most likely future business circumstances for the company being valued; for example, going concern or liquidation. We have performed our valuation analysis based on the general assumption that the underlying business activities of Orion as a going concern. As shown in **Schedule 3.3**, we also considered a liquidation analysis of Orion's assets.

B. Valuation Approaches

73. There are numerous techniques and approaches to determine the value of an ongoing business enterprise. Generally, there are three traditional approaches to value a business interest or asset:

    a. The Asset Approach;

    b. The Income Approach; and

    c. The Market Approach.

74. Within these valuation approaches, valuation analysts will use one or more methods when valuing a business and/or its ownership interests. The objective of using more than one approach or method (if applicable) allows the appraiser to view the target company from different perspectives to form an opinion as to the value conclusion. The method or

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[39] *ASA Business Valuation Standards* published by the American Society of Appraisers.

methods selected for each valuation will depend upon the appraiser's judgment and experience with similar valuations and upon the quantity and quality of available financial, operational and industry data.

75. The generally accepted business valuation approaches and accompanying methodologies we considered are briefly discussed below.

The Asset Approach

76. The underlying Asset or Cost Approach establishes value by netting the Fair Market Value of assets and liabilities to determine the net asset value or net worth of the business. The value of all of the target company's assets are discretely determined and accumulated. Therefore, this valuation approach requires a discrete valuation of all of the assets of a company, where the appraiser examines the current cost to purchase or replace each asset.

77. This valuation approach is typically applied for asset heavy or capital-intensive businesses, real estate or security holding companies. Asset value also constitutes the price determinant of corporate worth where operations have historically been unprofitable, unstable, or earnings are marginal in relation to invested capital. In the case of a company that does not possess sufficient earnings potential or cash flow to warrant treatment as a going concern, assets can be stated at their liquidation values less a provision for disposal costs and taxes that might arise from their liquidation. On the other hand, in situations where there are earnings or potential earnings, the business should be considered a going concern and its value should be calculated with reference to its earnings or earnings potential as opposed to the value of the assets.

78. Since I valued Orion as a going concern, I did not used the cost approach.

79. It should be noted however, that in 2018, after Orion had filed for Chapter 11 Bankruptcy protection that it and several of its subsidiaries were sold for approximately $12.6 million by MTBC, a publicly traded management services company. This value could be used as a proxy for "floor" value when considering the liquidation value of Orion and its subsidiaries which is summarized in **Schedule 3.3**.

The Income Approach

80. The application of the Income Approach establishes value by means that capitalize or discount future anticipated benefits, such as cash flows or earnings, by a discount or capitalization rate.[40] Capitalization and discount rates are developed to reflect market rate of return expectations, as well as the relative risk of the investment. This approach is often used to determine the value of a going-concern business whose value is aligned with its ability to generate future earnings and/or cash flows. Valuations under this approach are typically performed through either the use of either:

    a. The Discounted Cash Flow ("**DCF**") Method, which is often used when reliable projections as of the Measurement Dates are available; or

    b. The Capitalization of Earnings ("**CoE**") Method, which utilizes the calculation of normalized after-tax cash flow to represent expected future earnings and divides the normalized cash flow by a capitalization rate in order to arrive at a value indication.

81. Because I was not provided with any contemporaneous projections for Orion, I utilized the Capitalization of Earnings Method in applying the Income Approach to valuing Orion as of the Measurement Dates.

The Market Approach

82. The Market Approach is a relative valuation approach that assesses a company's value by comparing the company being valued to the market price of similar companies at the Measurement Dates or the historical sales price of similar companies that have been sold. There are two primary methods to apply the Market Approach:

    a. The "**Guideline Public Company Method**" where the value of a business enterprise is determined by comparing the target company to publicly-traded guideline companies in the same or similar lines of business. The guideline firms are also referred to as "Peers" or "Peer Companies".

[40] Typically, a capitalization rate is a rate of return used to convert a single period income into a value, and a discount rate is a rate applied to a series of future income amounts to convert them into one value. The inverse of the capitalization rate is a multiple of cash flow. Capitalization is most appropriate for mature businesses with level income streams versus the discounting which is more appropriate for businesses with varying levels of income in the future.

b. The "**Guideline Transaction Method**" where the value of a business is determined by comparing the target company to actual M&A sales transactions involving both publicly-traded and privately-held companies in the same industry sector as that target company.

c. A combination of the above.

83. The conditions and prospects of companies in similar lines of business depend on common factors such as overall demand for their products and services. Therefore, an analysis of market multiples of companies engaged in similar lines of business can yield insight into investor perceptions, and accordingly, the value of a target company.

84. I considered the Market Approach to be relevant to the valuation of Orion and identified potentially comparable public companies under the Guideline Public Companies Method and comparable transaction under the Comparable Transactions Method. However, after further analysis of Orion's financial position and understanding the allegedly fraudulent activities that were present within the Company in the fiscal year 2016, I determined the Market approach was not applicable because the comparable transactions and guideline public company multiples are not tainted with allegedly fraudulent activity.

85. The multiples tied to the identified comparable public companies and transactions are derived from companies that are not subject to allegations of fraud and which have not had material restatements of their tax returns. Therefore, it is my opinion that the Market Approach is not relevant to the Balance Sheet Test.

Valuation Summary

86. We therefore relied entirely on the income approach as shown in the Balance Sheet Test Summary set out in **Schedule 1** (the "**Valuation Summary**").

C. Application of the Income Approach

87. As previously stated above, the Capitalized Earnings Method derives value by capitalizing a single period of earnings by a capitalization rate.

88. We developed a capitalization rate based on the industry standard build-up approach. This approach is detailed in **Schedule 2.0**. For the period ending December 31, 2016, we concluded a capitalization rate of 22.5%.

89. In our analysis we relied on the Company's adjusted historical financial statement information prepared by FTI. A summary of FTI's adjusted historical financials are summarize below in **Table 2** above. We then normalized the income statement for certain line items in **Table 4**. This analysis was used to develop the Capitalized Earnings Method analysis summarized below in **Table 7.**

Table 7

Orion Healthcorp, Inc. Income Approach - Capitalized Earnings Method				
Description		**As of 12/31/2016**		
Net Revenue[1]	$	53,936,035	*100.0%*	
Adj. EBITDA[1]	$	3,066,238	*5.7%*	
Less: Normalized Depreciation[2]		3,820,521	*7.1%*	
Less: Amortization[3]		-	*0.0%*	
Operating Income	$	(754,283)	*-1.4%*	*A*
Tax Rate [4]		*35.0%*		*Tr*
Less: Income Tax Provision	$	-	*0.0%*	*T = A * Tr*
Net Operating Profit After Tax	$	(754,283)	*-1.4%*	*B = A - T*
Plus: Normalized Depreciation[2]		3,820,521	*7.1%*	*C*
Plus: Amortization[3]		-	*0.0%*	*D*
Less: Capital Expenditures[5]		4,111,776	*7.6%*	*CA*
Less: Changes in Working Capital[6]		242,712	*0.4%*	*ΔWC*
Free Cash Flow	**$**	**(1,288,250)**	*-2.4%*	*FCF = B + C +D - CA - ΔWC*
Estimated Long-term Growth Rate[4]		1.025x		*Gr*
	$	**(1,320,457)**	*-2.4%*	*E = FCF * Gr*
Capitalization Rate[4]		22.50%		*CAP*
Market Value of Invested Capital	**$**	**-**		*MVIC = E / CAP*
Rounded	**$**	**-**	*0.0%*	

Notes:

[1] See Schedule 3.1.

[2] Normalized Depreciation is calculated as: Normalized Capex / (1+.076).

[3] The amortization of the Company stems from non-recurring amortization of acquired assets. Therefore, we assume a go-forward amortization of $0. The tax shield benefit of the amortization of these assets however is calculated in Schedule 3.4.

[4] See Schedule 2.0.

[5] Based on our review of Orion's 2015 Tax Return, we assumed an expected useful life of amortizable assets to be 5 years. We then performed the calculation below to determine Orion's normalized CAPEX to sales ratio. In addition, the Integra Five-year Industry Report for SIC 8742 - Management Consulting Services CAPEX to Sales is approximately 7.4%.

90. Using the capitalization rate and the normalized financial statements of Orion, we developed a Capitalized Earnings Model that measured the market value of invested capital ("**MVIC**") for Orion as of December 31, 2016. This analysis can be found on **Schedule 3.0** of this report. We concluded that Orion has a MVIC[41] of **zero** at December 31, 2016.

[41] Capital cannot have a negative value.

D. Valuation Synthesis and Conclusion

91. Using the capitalization rates and normalized historical performance of Orion, we developed a capitalized earnings model that measured the MVIC of Orion as of December 31, 2016. This analysis is summarized above in **Table 7** and can also be found in **Schedule 3.0** of this Report. We concluded that Orion has a MVIC of **zero** at December 31, 2016.

92. We also identified Orion had a material asset from the tax benefits from Orion's amortization expense resulting from the acquisition of several real and fake organizations. Since this expense is not perpetual, we removed it from Orion's income statement. In order to determine the value of the amortization tax-shield, we calculated the estimated future amortization expense tax benefit and discounted these amounts back to their present value as of the Measurement Date.

93. We understand that some of the amortization benefits may be related to allegedly sham acquisitions. We conservatively assumed all of the amortization expenses were applicable. Our analysis is presented in **Schedule 3.5**. We concluded the value of the amortization tax savings was $3,525,650 at December 31, 2016.

94. We then used the MVIC value calculated in **Schedule 3.0** and added the Company's tax-shield benefit from amortizable acquired assets, subtracted Orion's normalized interest-bearing debt and subtracted Orion's estimated working capital deficit. The results of this analysis are summarized in **Schedule 1.0** and **Table 8** below.

Table 8

Orion Healthcorp, Inc. Balance Sheet Test		
	As of 12/31/2016	***Source***
Market Value of Invested Capital		
Income Approach	$ -	*Schedule 3.0*
Market Value of Invested Capital	$ -	
Plus: Amortization Tax-shield Benefit	$ 3,525,650	*Schedule 3.5*
Less: Short-term Debt	208,569	*Schedule 5.3*
Less: Long-term Debt	111,457,166	*Schedule 5.3*
Less: Working Capital Deficit (Surplus)	19,867,633	*Schedule 4.0*
Residual Invested Capital	**$ (128,007,718)**	
Balance Sheet Test Result	**FAIL**	

95. As shown in **Table 8** above, Orion's liabilities are greater than the value of its assets. Therefore, it is my opinion that Orion **FAILED** the balance sheet test at December 31, 2016.

VIII. Capital Adequacy Test (Second Solvency Test)

96. The Capital Adequacy Test assesses the financial health of a company by comparing the subject company's financial ratios to industry norms. We therefore compared certain financial metrics related to the adequacy of Orion's capital to those of (a) six public companies that we deemed relevant benchmarks for Orion and (b) Orion's industry based on data published in an industry report.

97. The following companies we selected as a basis of comparison are:

a. NextGen Healthcare, Inc. (NasdaqGS: NXGN, "**NextGen**"). Nextgen provides ambulatory-focused software and services solutions, including electronic health record, practice management solutions and revenue cycle management.[42]

b. MTBC, Inc. ("**MTBC**"). MTBC is a healthcare information technology company that provides an integrated suite of Web-based solutions and related business services to healthcare providers. MTBC operates through two segments, healthcare IT and practice management.[43]

[42] Source: S&P Capital IQ.
[43] *Ibid*.

c. Allscripts Healthcare Solutions (Nasdaq: MDRX). Allscripts Healthcare solutions provides information technology solutions and services to healthcare organization in the United States and internationally. Allscripts Healthcare solutions offers electronic health records (EHR), information connectivity, private cloud hosting, outsourcing, analytics, patient access, financial management and population health management solutions.[44]

d. Cerner Corporation (Nasdaq: CERN). Cerner Corporation, together with its subsidiaries, provides health care technology information solutions and tech-enables services in the United States and internationally. Cerner offers a person-centric computing framework, which includes clinical, financial, and management information systems that allow providers to access an individual's electronic health record (EHR) at the point of care, and organizes and delivers information for physicians, nurses, laboratory technicians, pharmacists, front- and back-office professionals, and consumers.[45]

e. Evolent Health, Inc (NYSE: EVH). Evolent Health, Inc. and its subsidiaries provide health care delivery and payment solutions in the United States. Evolent Health, Inc. uses a proprietary technology system that aggregates and analyzes data, manages care workflows and engages patients; population health performance that delivers patient-centric cost-effective care; delivery network alignments; and integrated cost and revenue management solutions.[46]

f. Computer Programs and Systems, Inc. (NasdaqGS: CPSI). Computer Programs and Systems, Inc. provides healthcare information technology solutions and service in the United States and St. Maarten [47]. Some of their services include post-acute care support and maintenance services; revenue cycle management products and services, consulting and business management services, and managed information technology services; patient engagement and empowerment technology solutions; and system implementation and training services.

[44] *Ibid*.
[45] *Ibid*.
[46] *Ibid*.
[47] *Ibid*.

98. I analyzed the following financial ratios related to the capital adequacy[48] of Orion as of December 31, 2015 (the "**2015 Date**") and December 31, 2016 (the "**2016 Date**"). This analysis is presented in **Schedule 6.0 and Schedule 6.1**:

a. Total Debt[49] ÷ Market Value of Invested Capital ("**Debt-to-MVIC**"). This ratio compares each company's debt as a percent of the market value of all equity and debt in the company at market value as calculated by B. Riley Advisory, including cash. If debt is too high compared to Enterprise Value, this indicates inadequate capital.

b. Total Debt ÷ Market Value of Equity ("**Debt-to-Equity**"). This ratio compares each company's debt as a percent of the market value of the company's equity, showing the direct relationship between these factors. If debt is too high compared to the market value of equity, this indicates inadequate capital. Orion had a negative market value of equity at both dates, indicating inadequate capital.

c. Total Debt ÷ EBITDA ("**Debt-to-EBITDA**"). This ratio compares each company's debt to its EBITDA, which represents a measure of cash flow generated by operations before debt service obligations. This indicates the relationship between debt level and the cash flow generated to cover the debt. As of the 2015 Date, Orion's ratio was 1.10x, higher than the guideline data but in line with the industry averages. As of the 2016 Date, Orion had negative EBITDA, so this ratio could not be calculated. These ratios indicate inadequate capital.

d. Earnings Before Interest & Taxes ("**EBIT**") ÷ Interest Expense (also referred to as "Interest coverage" ratio). This ratio compares each company's EBIT, which represents a measure of operating income before interest expense, to interest expense itself. This ratio indicates how much "headroom" a company has in order to meet its debt service obligations. Orion had negative EBIT at both dates, indicating inadequate capital.

e. (EBITDA – CapEx) ÷ Interest Expense. This ratio compares each company's EBITDA less CapEx, which represents a measure of operating income before interest expense but after capital expenditures necessary to continue the

[48] Performing ratio analysis with ratios such as these is an established methodology of testing capital adequacy, as described in Willamette Management Associates' Bankruptcy Valuation and Solvency Insights: Due Diligence and Analytical Procedures for Fraudulent Conveyance Opinions, Winter 2014 (www.willamette.com).

[49] Total Debt includes all interest-bearing debt, both the current and long-term portions, including capital leases.

operations of the company at projected levels of revenue, income and cash flow. This ratio is another indication of how much “headroom” a company has in order to meet its debt service obligations. Orion’s ratio of 4.52x as of the 2015 Date is significantly below the comparable data, and Orion had negative EBITDA les CapEx at the 2016 Date, indicating inadequate capital.

f. Solvency Ratio: (After tax net profits + Depreciation)/Total Liabilities.[50] This ratio measures a company's ability to meet its ongoing obligations. Moreover, the solvency ratio quantifies the size of a company’s after-tax income, not counting non-cash depreciation expenses, as contrasted to the total debt obligations of the firm.[51] This ratio could not be calculated for Orion at either date, indicating inadequate capital.

99. Based on the analysis presented above, Orion **FAILED** the Capital Adequacy Test at both the 2015 Date and the 2016 Date.

IX. Cash Flow Test (Third Solvency Test)

100. The Cash Flow Test assesses whether a company can meet its operating and debt service obligations as they come due. Sources of cash include (a) cash flow generated by operations, (b) excess cash, if any, and (c) additional borrowing capacity, if any. In addition to operating expenses, cash needs include (a) capital expenditures required for the future operations of the business, (b) incremental working capital, (c) interest on outstanding debt, and (d) repayment of debt principal. The Cash Flow Test should also consider whether the subject company will be able to repay or refinance existing debt upon maturity.

101. When a company prepares projections of future revenue, earnings and cash flow in the normal course of business, the Cash Flow Test typically utilizes the projections to determine whether the subject company can meet its debt service obligations based on projected earnings and borrowing capacity. To our knowledge there are no contemporaneous projections for Orion. We therefore used normalized 2016 financial statement information to perform the cash flow test under the assumption that the 2016

[50] Ian Ratner, Grant T. Stein and John C. Weitnauer "Business Valuation and Bankruptcy", 2009 ed. p. 154.
[51] Solvency Ratio definition: <https://www.readyratios.com/reference/analysis/solvency_ratio.html.

results were the best indication of Orion's future performance as of the Measurement Dates.

102. The threshold question in the case of the Cash Flow Test for Orion is whether the Company's operations are expected to generate sufficient operating income to cover its debt service obligations. As of the Measurement Date, on an adjusted basis, Orion had revenue of $53.9 million, a decrease of 2.8% from $55.5 million in 2015. On a normalized adjusted basis, Orion has an EBITDA of $13.55 million at December 31, 2015 and EBITDA of $3.07 million at December 31, 2016 which represented a decrease of 22.6% from 2015.

103. Using adjusted EBITDA as a starting point, we then adjust for other cash obligations of the Company. These adjustments include:

    a. Income tax expense;

    b. Capital expenditures, representing investments in the Company's fixed assets; and

    c. Incremental working capital, representing a portion of income that the Company needs to retain to finance the growth of short-term assets.

104. After adjusting for cash flow and tax components, Orion had negative $21,155,884 available for to service normalized interest expenses at December 31, 2016.[52]

105. We also considered qualitative factors in determining the proper measure of earnings and cash flow to use in the Cash Flow Test. I interviewed J.T. Tomkins of FTI, who informed me that when Orion contracted with Porteck to perform certain "back office" tasks for Orion's RCM operations in early 2015, Porteck performed its services so poorly that the RCM business immediately began to lose most of its customers. This decline continued through 2016, and as of the Measurement Date (i.e., in early 2017, after the period covered in the 2015 and 2016 financial statements), the RCM business was still declining.

106. I therefore conservatively selected full year 2016 as the base period for my Cash Flow Test analysis. This assumption is conservative because it assumes that Orion's operations had stabilized, whereas the evidence suggests that the business was in decline as of the Measurement Date.

[52] See **Schedule 5.0**.

107. Since Orion had negative cash flow before consideration of debt service in 2016, this indicates that Orion did not have the ability to meet its debt service obligations as of the Measurement Date. Therefore, Orion **FAILED** the Cash Flow Test as of the Measurement Date.

X. Orion Contingent Liability

108. An additional factor to consider in the context of the three solvency tests presented above is that as of the Measurement Dates, Orion held a significant exposure related to the alleged sham transactions described in this report, including but not limited to the secondary offerings in NorthStar, Phoenix and MDRX transactions (see paragraphs 21 to 26 above). While the nature of these transactions and the resultant significant restatements to Orion's tax returns were not yet known, the basic fact is that the Company likely would have faced one or more lawsuits related to these items.

109. These lawsuits would have involved at least two components of significant expense to the Company. First, the Company would have incurred legal fees defending the lawsuits. Second, they would have faced possible payment of a significant monetary award or settlement.

110. In addition, these lawsuits would have represented a significant drain on Orion management time and attention, which represents an additional risk factor to the Company.

111. I have not received sufficient information necessary to quantify this exposure, which represents a contingent liability to Orion. This factor further negatively impacted Orion's insolvency.

XI. Other Evidence of Insolvency

112. The three solvency tests presented above represent a quantitative assessment of solvency. In the case of Orion, there are several qualitative factors that should also be considered in assessing the solvency of the Company.

Restated Financial Statements

113. Orion filed an amendment to its 2015 tax return that showed significant changes from the original tax return filed for that year. **Schedule 7.1** presents the income statements for 2015 and 2016, including both the original and revised data for 2015. Highlights of the revisions include:

   a. Revenue was revised to $54.7 million, a decrease of 28.7% from the originally reported revenue of $78.7 million.

   b. Taxable income decreased from positive $5.1 million to negative $11.4 million, a decrease of 325.2%.

114. Restatements of this magnitude call into question the reliability of any of Orion's reported financial statement information. While this is not an indication of insolvency as a standalone issue, the magnitude of this restatement certainly casts doubt on the legitimacy of Orion's operations and its ability to meet its debt obligations.

Sham Acquisitions

115. Another qualitative factor to consider is the allegations that certain acquisitions made by Orion in 2015 and 2016 were either (a) significantly overstated as to the price paid by Orion or/or (b) acquisitions of companies that didn't actually exist.

NorthStar Acquisition

116. For example, on September 16, 2015, Orion[53] acquired NorthStar for a total consideration of $17.39 million (the "**NorthStar Acquisition**"). The NorthStar Acquisition appears to fall under both of these categories (i.e., the price paid was significantly overstated, and the company acquired didn't really exist).

117. The allocation of the purchase price to assets acquired and liabilities assumed indicated that (a) $6.4 million of the purchase price represented intangible assets and (b) $10.8 million was excess purchase price allocated to goodwill.[54] Therefore, 99.0%, or almost all

[53] The buyer in these acquisitions was often CHT and not Orion itself; CHT typically then transferred the acquisitions to Orion. See, for example, description of MDRX Transaction in CHG Audited Financial Statements for the Years Ended December 31, 2016 and 2015, p. 20.

[54] Constellation Healthcare Technologies, Inc. and Subsidiaries Financial Statements for Years Ended December 31, 2016 and 2015, p. 18.

of the $17.39 million purchase price, was intangible assets. The goodwill alone was 62.1% of the purchase price. Since goodwill in this context represents an amount above which any portion of the price can be allocated to assets acquired, tangible or intangible, this percentage suggests a significant overpayment.

118. NorthStar, in fact, was a holding company that had recently purchased a company called Vachette Business Services, Ltd. ("**Vachette**"). In addition, an investigation performed by FTI identified journal entries in Orion parent company CHT's general ledger that misrepresented what was actually acquired and created the impression of a significantly larger acquisition. However, approximately two weeks before the NorthStar Acquisition, NorthStar had purchased Vachette for $2.79 million, as compared to the $17.4 million paid for NorthStar (which had no other business activities).[55]

Phoenix Acquisition

119. On September 18, 2015, Orion acquired Phoenix Health for an announced price of $13.66 million (the "**Phoenix Acquisition**"). However, FTI's investigation revealed that a bank account and employee identification number (EIN) were not obtained for Phoenix until after the Phoenix Acquisition. In other words, there basically was no company at that point. FTI's investigation further revealed that the payments purportedly made for the Phoenix Acquisition were in fact made to Sage Group Consulting Inc., a consulting firm owned by Salil Sharma.[56]

MDRX Sham Acquisition

120. In March 2016, Orion acquired MDRX for a total consideration of $48.2 million (the "**MDRX Acquisition**"). The recording of this transaction was that $75,000 out of the $48.2 million purchase price was for property and equipment. Of the balance $19.2 million was for a customer relationship intangible asset with the $28.9 million difference recorded as goodwill.[57] According to the Dragelin Declaration, MDRX was an entity created by certain members of Irion's former management that conducted no business and had no assets.[58] FTI's investigation of the M&T Checking Account statement indicates that the purported

[55] Dragelin Declaration at 92-93.
[56] Dragelin Declaration at 94-96.
[57] CHT Audited Financial Statements for the Years Ended December 31, 2016 and 2015, p. 20.
[58] Dragelin Declaration at 26.

payments were transferred to various recipients over the next six months, none of which correlated to the entry in Orion's general ledger indicating that the funds were used as payment for the acquisition of the fictitious MDRX. $4.0 million of these funds was used to create fictitious customer revenue.[59]

ACA and ABC Acquisitions

121. On September 1, 2016, CHT acquired through the acquisition of Vega, which was a holding company for both Allegiance Consulting Associates LLC ("**ACA**") and Allegiance Billing & Consulting LLC ("**ABC**") for a total price of $4.68 million. CHT subsequently reported that it acquired Vega for $24.0 million.[60]

Summary –Other Evidence of Insolvency

122. The unreliable financial statements and sham transactions described in this section are not as stand-alone factors evidence of insolvency as measured by the three solvency tests, which are quantitative analyses. However, it seems reasonable that in order to determine that a company is solvent, one would also expect the company to have reliable financial statements and to not engage in fraudulent transactions. In my opinion, the regular occurrences of unreliable financial statements and sham transactions lends further strength to my opinion that Orion was insolvent as of the Measurement Date.

2017 Financial Results

123. The Measurement Date in this report of May 26, 2017 takes place almost five months following the end of 2016, the date of the most recent financial information as of the Measurement Date. We also examined full-year operating results for Orion to determine whether it was possible there was an improvement in the Company's solvency during the first few months of 2017. **Table 9** below presents summary income statement information for Orion from 2014 through 2017:

[59] Dragelin Declaration at 98.
[60] Dragelin Declaration at 99.

Table 9

	Orion Healthcare, Inc.			
	Summary Profit and Loss Information			
	For Fiscal Years Ended December 31,			
	2014	2015	2016	2017
Revenue:				
Management Fee Revenues	$ 1,285,295	-	-	-
GPO Revenues	1,150,022	1,198,613	1,168,980	1,205,397
Fee for Service Revenues	9,534,508	54,291,603	52,767,056	54,506,216
Total Revenue	**$ 11,969,825**	**$ 55,490,216**	**$ 53,936,036**	**$ 55,711,613**
Total Operating Expenses	**52,909**	**55,231,907**	**67,353,097**	**62,008,959**
Income from Operations	**11,916,915**	**258,309**	**(13,417,061)**	**(6,297,346)**
Total Other Income (Expenses), Net	**(8,311,778)**	**(7,808,136)**	**(34,974,948)**	**(13,997,976)**
Income Before Provision for Income Taxes	**3,605,137**	**(7,549,827)**	**(48,392,010)**	**(20,295,323)**
Provision for Income Taxes	888,071	4,367,999	(1,649,262)	197,394
Net Income	**$ 2,717,066**	**(11,917,826)**	**(46,742,748)**	**(20,492,716)**

124. As **Table 9** shows, Orion continued to post significant losses in 2017. There is no evidence that Orion's financial performance could have improved at any point in 2017. Therefore, our analyses showing that Orion was insolvent as of December 31, 2016 also indicate insolvency as of the Measurement Date of May 25, 2017.

XII. Summary and Conclusion

125. **Table 10** below summarized the results from each solvency test at the Measurement Date.

Table 10

Orion Healthcorp, Inc. Solvency Opinion Summary		
Description	**12/31/2016**	**Source**
Balance Sheet Test Result	**FAIL**	*Schedule 1.0*
Cash Flow Test Result	**FAIL**	*Schedule 5.0*
Capital Adequacy Test Result	**FAIL**	*Schedule 6.0 and Schedule 6.1*
Solvency Opinion	**INSOLVENT**	

126. Based on the analyses we performed, it is our opinion that as of the Measurement Date of May 25, 2017, Orion was **INSOLVENT**.

Respectfully submitted,

Craig Jacobson

Appendix A

Craig Jacobson CV

CRAIG JACOBSON

MANAGING DIRECTOR

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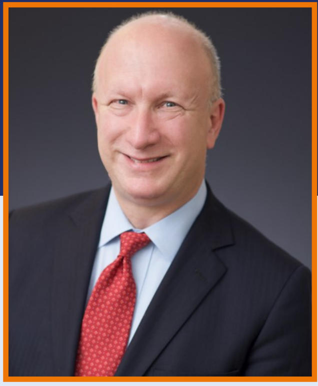
vCard



Prominent Matters

- Damages/expert witness in GSP Finance LLC v. KPMG
- Damages/expert witness in re Inergy Unitholder Litigation
- Valuation expert before Kenneth Feinberg of the September 11th Victim Compensation Fund

Craig Jacobson has 30 years of experience in valuation, litigation support services, and transactions consulting. Prior to joining GlassRatner (now doing business as B. Riley Advisory Services) in 2014, Craig was a principal at a regional CPA firm providing valuation and litigation support services. Prior to that, Craig held a senior position with Willamette Management Associates. Craig began his career at a boutique investment banking and consulting firm, where he provided valuations, mergers and acquisitions, and litigation support services.

Craig's experience includes performing valuations for litigation, transaction and corporate planning purposes; fairness opinions, solvency opinions, mergers and acquisitions consulting; pre-Initial Public Offering services, including valuations and assistance in the preparation of SEC filings; calculating economic damages, including lost profits and lost enterprise value; dissenting shareholder litigation and transactions; intellectual property valuation and damages calculations, including irreparable harm calculations; change-in-control disputes; and failed mergers and acquisitions litigation.

Craig has worked in a large number of industries, including energy, healthcare, retail, pharmaceutical, medical devices, financial services, and professional and other services. Craig has worked on many international engagements, including companies in Japan, China, Russia, Denmark, Greece, Italy, the Caribbean, Cyprus, and Indonesia.

Specialties:
Damages & Expert Witness Services
Fairness Opinions
Intellectual Property
Litigation Support
Lost Profit Analysis
M&A
Purchase Price Allocation
Solvency Opinions
Valuation

Industries:
Energy
Healthcare
Pharmaceutical
Medical Devices
Technology

Craig's clients include law firms, corporations, partnerships and wealthy individuals. He has acted as an expert witness on several occasions.

Craig has authored many articles and given many presentations on a variety of topics, including commercial damages, intellectual property valuation and damages, fairness opinions, solvency opinions.

Representative assignments on which Craig has worked include:

- Providing valuation and consulting services related to large corporate transactions related to fairness opinion and solvency opinion issues
- Estimating Lost Profits, Economic Damages, and Lost Business Value on behalf of Plaintiffs and Defendants
- Estimating damages related to the infringement of Patents, Copyrights, Trademarks and Trade Names, and Trade Secrets
- Performing valuation and corporate finance advisory work for companies headed for initial public offerings or other exit transactions
- Valuation of intellectual property and intangible assets for financial reporting, tax, and transactional purposes

Craig holds a BS in Economics and Computer Science from the State University of New York at Albany and an MBA in Finance from New York University's Stern School of Business.

Appendix B

Documents Considered

Orion Healthcorp, Inc.

Documents Considered

#	Descriptions	Document Date if Applicable	Exhibit Number If Applicable	Bates Reference If Applicable
	Legal Documents			
1	Complaint for Avoidance and Recovery of (1) Fraudulent Transfers; and (2) Recovery of Avoided Transfers and Objection to Claim Nos. 10063 & 10064	3/14/2020		
2	Complaint for Avoidance and Recovery of: (1) Fraudulent Transfers; and (2) Recovery of (2) Avoided Transfers Pursuant to 11 U.S.C. §§544, 548 & 550	3/12/2020		
3	John G "Jack McBride and Alan Nottingham v. Orion Healthcorp, Inc. et. Al. Final	12/16/2015		
4	Executed Consulting Agreement - Alpha Cepheus, LLC	11/24/2016		
5	Paul Parmar Executed Employment Agreement	11/24/2016		
6	Declaration of Timothy J. Dragelin	3/16/2018		
7	Affidavit of Daniel Jones	12/1/2020		
	Financial Documents			
8	CHG 2015 Audited Financial Statements			
9	CHG 2016 Audited Financial Statements			
10	Constellation Healthcare Technologies, Inc. 2014 Audited Financial Statements	3/9/2015		
11	Constellation Healthcare Technologies, Inc. 2015 Audited Financial Statements	3/21/2016		
12	Constellation Healthcare Technologies, Inc. 2016 Audited Financial Statements	5/25/2017		
13	Orion Healthcorp, Inc. Amended 2015 Tax Return			
14	Orion Healthcorp, Inc. 2016 Tax Return			
15	Orion Healthcorp, Inc. 2017 Tax Return			
16	Orion Healthcorp, Inc. 2015 Original 2015 Tax Return	9/8/2016		RRBB00057558 - 802
17	2015 P&L by Legal Entity - Tax.xls			
18	2016 P&L by Legal Entity - Tax.xls			
19	Combined 2014-2017 P&L by Legal Entity - Tax.xls			
20	Constellation 2015 M-1 M-3 analysis.xls			
	Other Documents			
21	BriefHistory.ppt			
22	Certificate of Formation of Lexington Landmark Services, LLC	11/17/2016		EHREN-ABRUZZI00001 - 9
23	Privatization Letters	1/25/2016		EHREN-ABRUZZI00032 - 62
24	Robinson Brog IOLA Quick Report (Exported May 30, 2018)			
	Research			
25	MTBC 2018 Form 8-K	7/2/2018		
26	MTBC Successfully Closes Orion, Largest Acquisition to Date	7/2/2018		
27	MTBC 2018 Form 10-K	3/20/2019		
28	IBISWorld Industry Report 54161 Management Consulting in the US (December 2016)	December 2016		
29	Integra Five-Year Industry Report - SIC 8742 Management Consulting Services	1/6/2021		
30	Willamette Management Associates' Valuation Practices and Procedures Insights: Implementing Normalization Adjustments	Spring 2017		
31	Willamette Management Associates' Bankruptcy Valuation and Solvency Insights: Due Diligence and Analytical Procedures for Fraudulent Conveyance Opinions	Winter 2014		
32	Ian Ratner, Grant T. Stein and John C. Weitnauer "Business Valuation and Bankruptcy"	2009		
33	https://www.readyratios.com/reference/analysis/solvency_ratio.html.			
34	BVR Economic Outlook Update 4Q 2016 published by Business Valuation Resources	Q4 2016		

Appendix C

The Industry and Economy

127. A key component of a valuation is an analysis of the economy and the company's industry as of the Measurement Date. A company does not operate in a vacuum, and an analysis of the industry and economy provides important information related to the value of the Company.

Industry Overview

128. Management consultants provide advisory services to businesses, nonprofits, and public sector agencies to assist in organizational design, corporate strategy, information technology (IT) strategy, marketing and sales, and logistics.

129. During the past five years, the Management Consulting industry has been booming as more robust corporate profitability and increasing business expenditure resulted in higher demand for advisory services. The industry is estimated to grow at an annualized rate of 5.8% to $229.9 billion over the five different sectors and services.

130. During the next five years, the industry is expected to grow with the US economy. IT will continue to be a key growth area, while other sectors, such as healthcare, also provide new business opportunities. Consolidation from the largest industry players is projected to continue; however, the overall industry structure will continue to be dominated by small, non-employing operators. These businesses focus on servicing local or niche markets and, therefore, control a small proportion of total industry revenue. Overall, industry revenue is expected to increase 2.4% to $258.5 billion during the next five years to 2021.

Industry Outlook

131. Business conditions remain healthy within the industry. During the next five years, strong macroeconomic conditions are expected to drive growth in the Management Consulting industry. Rising corporate profit will increase business budgets and, therefore, increase spending on consulting services.

132. Additionally, businesses are expected to increase workforce size and expand investment in new facilities and operations. Investment in new capabilities will boost demand for

process and operations management consulting, corporate strategy, and organizational design. Furthermore, rapid IT developments will continue to be instrumental in developing new strategies, designs, and understanding an evolving US market. Moreover, major investment in life sciences and healthcare over the next five years will drive growth for merger and acquisition consultants. Consequently, the Management Consulting industry is projected to grow at an annualized rate of 2.4% to $258.5 billion during the next five years to 2021.

133. Non-employer revenue is expected to decline slightly, further increasing market share concentration. The number of enterprises is projected to grow at an annualized rate of 3.4% to 845,984 during the next five years. Larger and more profitable firms will experience the majority of employment growth, which is expected to increase at an annualized rate of 2.8% to 1.7 million people over the next five years to 2021.

Economic Overview [61]

134. The U.S. economy—as indicated by GDP—grew at an annual rate of 1.9% in the fourth quarter of 2016, which is slower than the 3.5% reported in the third quarter. The slowing trend is due to a decline in exports and federal government spending. GDP increased 1.6% during 2016 compared with 2.6% in 2015.

135. Consumer spending increased by 2.5% in the fourth quarter of 2016, suggesting that the economy is growing steadily. Spending on durable goods leaped nearly 11.0% during the fourth quarter.

136. Employment rose by 156,000, which is lower than the 170,000 initially projected. Job growth has averaged 165,000 jobs per month during the past three months, well above the 80,000-jobs-a-month mark the White House Council of Economic Advisers believes is needed to maintain a stable unemployment rate.

137. The unemployment rate increased 0.1% to 4.7% in December, while the labor-force participation rate remained unchanged at 62.7%.

138. The Consumer Confidence Index improved 6.6 points to 113.7, reaching its highest level since August 2001. The post-election surge in the index reflects consumers' optimism in

[61] BVR Economic Outlook Update 4Q 2016 published by Business Valuation Resources.

the economy. The Consumer Sentiment Index rose 4.4 points to 98.2 in December, reaching its highest since 2004. The median projection in a Bloomberg survey called for a reading of 98.0.

139. The 4Q 2016 Wells Fargo/Gallup Small Business Index, reported in August, surged 12.0 points, to a reading of 80.0. This represents the highest optimism reading since January 2008 and the largest quarterly increase in a year. The report highlighted small-business owners are more optimistic about the operating environment in 2017.

140. The RSM U.S. Middle Market Business Index (MMBI) jumped 4.5 points in the fourth quarter of 2016, climbing to a reading of 120.1. The MMBI reading indicated that overall growth in the U.S. middle market is likely to slow during the final quarter of the year. However, the information was gathered before the results of the presidential election.

141. Services sector growth was unchanged in December and remained at the strong growth level established in November. The Non-Manufacturing Index (NMI) remained at 57.2%, which is a 12-month high. The December reading marked the 89th consecutive month of growth for the services sector. The majority of respondents' comments were positive regarding the business conditions and overall economy.

142. The major stock indexes recorded gains during the fourth quarter of 2016. The Dow Jones climbed 7.9% in the quarter and finished the year with a 13.4% gain. The Nasdaq Composite Index increased by 2.5% in the quarter and finished at 87% for the year. The Russell 2000 Index posted an 8.4% quarterly increase and finished the year up 19.5%, while the S&P 500 Index achieved a total return of 3.3% in the fourth quarter and recorded gains of 9.5% for the year.

Economic Outlook

143. Consensus Economics Inc., publisher of Consensus Forecasts—USA, reports that the consensus of U.S. forecasters believe that real GDP will increase at a seasonally adjusted annual rate of 2.1% in the first quarter of 2017 and 2.2% in the second quarter of 2017.

144. Consumer spending is projected to increase by 2.3% in the first quarter of 2017 and 2.3% in the second quarter. The forecasters projected consumer spending to increase by 2.5% in 2017.

145. Unemployment is expected to average 4.7% in the first quarter of 2017 and 4.7% in the second quarter. The forecasters predicted unemployment to average 4.9% in 2016 and 4.6% in 2017.

146. The three-month Treasury bill is expected to be 0.6% at the end of the first quarter and 0.8% at the end of the second quarter of 2017. The forecasters believe the three-month Treasury bill rate will rise to 1.2% at the end of 2017. The 10-year Treasury bond yield is projected to be 2.3% at the end of the first quarter of 2017 and 2.5% at the end of the second quarter. 10-year Treasury bond yield is expected to increase to 2.7% at the end of 2017.

147. Consumer prices are expected to rise by 2.1% in the first quarter and 2.4% in the second quarter of 2017. They expect consumer prices to increase by 1.2% in 2016 before rising to 2.3% in 2017.

148. Producer prices are expected to increase by 1.7% during the first quarter of 2017 and 2.1% in the second quarter of 2017. The forecasters anticipate producer prices will fall 0.9% in 2016 before rising 2.0% in 2017.

149. Real disposable personal income is expected to rise 2.3% in the first quarter of 2017 and 2.4% in the second quarter of 2017. The forecasters believe real disposable personal income will increase by 2.7% in 2016 and 2.5% in 2017.

150. Consumer price inflation (CPI) is expected to be 1.3% in 2016 and 2.4% in 2017. The Survey expects CPI to average 2.3% over the next 10 years. The Survey also expects producer price inflation (PPI) to be -1.0% in 2016 and 2.7% in 2017.

    The forecasters have increased their previous projections for future S&P 500 index values. S&P 500 index is expected to sit at 2,200 by the end of December 2016 and 2,255 at the end of June 2017.

Orion Healthcorp, Inc.

Balance Sheet Test

Orion Healthcorp, Inc. Balance Sheet Test			
		As of 12/31/2016	***Source***
Market Value of Invested Capital			
Income Approach	$	-	*Schedule 3.0*
Market Value of Invested Capital	$	-	
Plus: Amortization Tax-shield Benefit	$	3,525,650	*Schedule 3.5*
Less: Short-term Debt		208,569	*Schedule 5.3*
Less: Long-term Debt		111,457,166	*Schedule 5.3*
Less: Working Capital Deficit (Surplus)		19,867,633	*Schedule 4.0*
Residual Invested Capital	**$**	**(128,007,718)**	
Balance Sheet Test Result		**FAIL**	

Orion Healthcorp, Inc.

Weighted Average Cost of Capital ("WACC") - Build Up

Orion Healthcorp, Inc. Weighted Average Cost of Capital - Build Up

		Discount Rate As of 12/31/2016	
1. Cost of Equity - Build-Up Method:			
Risk-free Rate		2.68%	[1]
Equity Risk Premium		6.03%	[2]
Industry Risk Premium		-0.71%	[3]
Small Stock Premium		5.60%	[4]
Company-Specific Risk Premium		15.00%	[5]
Levered Cost of Equity:		**28.60%**	
2. After Tax Cost of Debt:			
Borrowing Rate		7.20%	[6]
Tax Rate		35.00%	[7]
Estimated Cost of Debt:		**4.68%**	
3. Weighted Average Cost of Capital (WACC)			
	Industry Capital Structure	Weighted Cost	
Debt	18.00%	0.84%	[8]
Equity	82.00%	23.45%	
		24.29%	
WACC or Discount Rate (rounded)		**25.00%**	
Long-Term Growth Rate		**2.50%**	[9]
Capitalization Rate		**22.50%**	[10]

Notes:

[1] Source: Duff & Phelps 2016 US Guide to Cost of Capital Long-term (20-year) US Treasury Coupon Bond Yield.

[2] Source: Duff & Phelps 2016 US Guide to Cost of Capital Long-horizon equity risk premium (supply-side).

[3] Source: Duff & Phelps 2016 US Guide to Cost of Capital Industry Risk Premium for SIC 8742 Management Consulting Services.

[4] Source: Duff & Phelps 2016 US Guide to Cost of Capital CRSP Decile Size Premium Decile 10-smallest.

[5] Due to qualitative factors of the company such as loss of key customer and the fraud.

[6] Source: Duff & Phelps 2016 US Guide to Cost of Capital - Industry SIC Composite SIC 8742 Management Consulting Services.

[7] Assumed corporate income tax rate of 35%.

[8] Source: Duff & Phelps 2016 US Guide to Cost of Capital - Industry SIC Composite SIC 8742 Management Consulting Services.

[9] BVR 2016 Q4 Economic Outlook Update p. 7 Exhibit 3. The long-term growth rate of Real GDP in the U.S. is forecast to be approximately 2.2%, therefore we assume date long-term growth rate for the Company would be approximately 2.5%..

[10] WACC less Long-Term Growth Rate.

Orion Healthcorp, Inc.

Income Capitalization Analysis

Orion Healthcorp, Inc. Income Approach - Capitalized Earnings Method				
Description		**As of 12/31/2016**		
Net Revenue[1]	$	53,936,035	*100.0%*	
Adj. EBITDA[1]	$	3,066,238	*5.7%*	
Less: Normalized Depreciation[2]		3,820,521	*7.1%*	
Less: Amortization[3]		-	*0.0%*	
Operating Income	$	(754,283)	*-1.4%*	*A*
Tax Rate [4]		*35.0%*		*Tr*
Less: Income Tax Provision	$	-	*0.0%*	*T = A * Tr*
Net Operating Profit After Tax	$	(754,283)	*-1.4%*	*B = A - T*
Plus: Normalized Depreciation[2]		3,820,521	*7.1%*	*C*
Plus: Amortization[3]		-	*0.0%*	*D*
Less: Capital Expenditures[5]		4,111,776	*7.6%*	*CA*
Less: Changes in Working Capital[6]		242,712	*0.4%*	*ΔWC*
Free Cash Flow	**$**	**(1,288,250)**	*-2.4%*	*FCF = B + C +D - CA - ΔWC*
Estimated Long-term Growth Rate[4]		1.025x		*Gr*
	$	**(1,320,457)**	*-2.4%*	*E = FCF * Gr*
Capitalization Rate[4]		22.50%		*CAP*
Market Value of Invested Capital	**$**	**-**		*MVIC = E / CAP*
Rounded	**$**	**-**	*0.0%*	

Notes:

[1] See Schedule 3.1.

[2] Normalized Depreciation is calculated as: Normalized Capex / (1+.076).

[3] The amortization of the Company stems from non-recurring amortization of acquired assets. Therefore, we assume a go-forward amortization of $0. The tax shield benefit of the amortization of these assets however is calculated in Schedule 3.4.

[4] See Schedule 2.0.

[5] Based on our review of Orion's 2015 Tax Return, we assumed an expected useful life of amortizable assets to be 5 years. We then performed the calculation below to determine Orion's normalized CAPEX to sales ratio. In addition, the Integra Five-year Industry Report for SIC 8742 - Management Consulting Services CAPEX to Sales is approximately 7.4%.

Assumptions	
Growth rate	2.5%
# years life	5
Capex(t+1) / Depreciation(t) ratio	7.6%

[6] See Schedule 3.2.

Orion Healthcorp, Inc.

Normalized Income Statement

Orion Healthcorp, Inc. Normalized Income Statement				
Description	**FYE 2015[1]**		**FYE 2016[1]**	
Net Revenue	$ 55,490,216	100.0%	$ 53,936,035	100.0%
COGS	-	0.0%	-	0.0%
Gross Profit	$ 55,490,216	100.0%	$ 53,936,035	100.0%
General & Administrative Expenses	$ 55,231,907	99.5%	$ 67,353,097	124.9%
Net Operating Income	$ 258,309	0.5%	$ (13,417,061)	-24.9%
Plus Other Income (Expenses)	$ (7,808,136)	-14.1%	$ (34,974,948)	-64.8%
Income Before Provision for Income Taxes	**$ (7,549,827)**	-13.6%	**$ (48,392,010)**	-89.7%
Less: Income Tax Provision	$ 4,367,999	7.9%	$ (1,649,262)	-3.1%
Less: Other Comprehensive Loss	-	0.0%	659	0.0%
Comprehensive Net Income	**$ (11,917,826)**	-21.5%	**$ (46,743,407)**	-86.7%
Add Back:				
Plus: Interest	$ 2,579,398	4.6%	$ 1,656,908	3.1%
Federal Tax expense	1,645,978	3.0%	3,283,866	6.1%
State and Local Tax	960,090	1.7%	700,000	1.3%
Deferred Tax Expense	1,841,425	3.3%	-	0.0%
Deferred Tax Benefit	(79,494)	-0.1%	(5,633,128)	-10.4%
Plus: Depreciation	1,284,608	2.3%	2,582,067	4.8%
Plus: Amortization	3,201,757	5.8%	9,217,893	17.1%
EBITDA	**$ (484,064)**	-0.9%	**$ (34,935,801)**	-64.8%
Normalizing Adjustments				
Add Back:				
Consulting Fees	$ 1,123,116	2.0%	$ 865,893	1.6%
Professional Fees	3,246,391	5.9%	6,111,720	11.3%
Purchased Services	1,480,059	2.7%	-	0.0%
Normalized Executive Compensation	(475,907)	-0.9%	(487,805)	-0.9%
Contract Labor	3,461,669	6.2%	343,441	0.6%
Bad Debt Expense	733,764	1.3%	2,239,825	4.2%
Normalized Bad Debt Expense	(221,961)	0.4%	(215,744)	0.4%
Early Extinguishment of Debt	-	0.0%	6,265,566	11.6%
Debt Fees	-	0.0%	145,000	0.3%
Other Expense	2,831,539	5.1%	361,927	0.7%
Acquisition Fees	1,860,000	3.4%	22,372,216	41.5%
Total Adjustments	$ 14,038,670	25.3%	$ 38,002,039	70.5%
Normalized EBITDA	**$ 13,554,606**	24.4%	**$ 3,066,238**	5.7%

Notes:

[1] See Schedule 7.0.

Orion Healthcorp, Inc.

Normalized Change in Working Capital Analysis

Orion Healthcorp, Inc. Normalized Change in Working Capital Analysis					
Description	**FYE 2015**	**Year t+1**		**FYE 2016**	**Year t+1**
Net Revenue[1]	$ 55,490,216	$ 56,877,471		$ 53,936,035	$ 55,284,436
Normalized Net Working Capital % of Revenue[1]		18.00%			18.00%
Normalized Working Capital		$ 10,237,945			$ 9,951,199
Net Working Capital - Year 1		$ 10,237,945			$ 9,951,199
Long Term Growth Rate[2]		2.50%			2.50%
Net Working Capital - Perpetuity Assuming 2.5% Long Term Growth Rate		$ 10,493,893			$ 10,199,978
Change in Net Working Capital		$ 255,949			$ 248,780
Divided by: Deflation Factor (1 + Long Term Growth Rate)		1.025x			1.025x
Implied Change in NWC (Deflated)		**$ 249,706**			**$ 242,712**

Notes:

[1] See Schedule 4.0.

[2] See Schedule 2.0.

Orion Healthcorp, Inc.

Balance Sheet Test Addendum - Liquidation Analysis

Balance Sheet Test Addendum - Liquidation Analysis	As of 12/31/2016
Purchase Price of Orion Healthcorp, Inc.[1]	$ 12,600,000
Plus: Amortization Tax-shield Benefit[2]	$ 3,525,650
Less: Short-term Debt	208,569
Less: Long-term Debt[3]	111,457,166
Less: Working Capital Deficit (Surplus)[4]	19,867,633
Residual Value	**$ (115,407,718)**
Pass / Fail	**FAIL**

Notes:

[1] In July 2018 Orion Healthcorp, and 13 of its affiliates were acquired by MTBC for $12.6 million. We have used this value as a proxy for the liquidation value of the company and what the residual value would be if some of its affiliates were sold. This represents the floor value of Orion Healthcorp, Inc. and it affiliates.
MTBC 2018 10-K p.3.

[2] See Schedule 3.4.

[3] See Schedule 5.3.

[4] See Schedule 4.0.

Orion Healthcorp, Inc.

Projected Amortization Expense

Discount Rate[1] **25.00%** **Income Tax Rate**[1] **35.00%**

Asset Amortized Per 2015 Amended Tax Return	Date Acquired	Period/Life	Basis	Accumulated Amortization	Current Year Amortization	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
						Orion Healthcorp, Inc. Value of Amortization Tax Benefit														
Intangible Assets	7/1/2013	180m	$ 9,685,962	$ 531,362	$ 11,474	$ 645,731	$ 645,731	$ 645,731	$ 645,731	$ 645,731	$ 645,731	$ 645,731	$ 645,731	$ 645,731	$ 645,731	$ 645,731	$ 645,731	$ 645,731	$ -	$ -
Debt Issuance Costs	6/30/2014	33m	2,278,037	647,879	828,377	828,377	828,377	569,509												
Section 197- Portek	2/1/2015	180m	12,790,000	-	781,611	852,667	852,667	852,667	852,667	852,667	852,667	852,667	852,667	852,667	852,667	852,667	852,667	852,667	852,667	852,667
Section 197 - Phoenix	9/1/2015	180m	10,064,000	-	223,644	670,933	670,933	670,933	670,933	670,933	670,933	670,933	670,933	670,933	670,933	670,933	670,933	670,933	670,933	670,933
Section 197 - North Star	9/1/2015	180m	11,349,000	-	252,200	756,600	756,600	756,600	756,600	756,600	756,600	756,600	756,600	756,600	756,600	756,600	756,600	756,600	756,600	756,600
Section 197 - Unknown	2/1/2015	180m	3,342,000	-	204,233	222,800	222,800	222,800	222,800	222,800	222,800	222,800	222,800	222,800	222,800	222,800	222,800	222,800	222,800	222,800
Deal Costs	1/1/2015	180m	218,500	-	14,567	14,567	14,567	14,567	14,567	14,567	14,567	14,567	14,567	14,567	14,567	14,567	14,567	14,567	14,567	14,567
Client Relations	6/1/2008	180m	15,156,117	9,930,314	3,333	1,010,408	1,010,408	1,010,408	1,010,408	1,010,408	1,010,408	1,010,408	1,010,408	-	-	-	-	-	-	-
Goodwill	12/1/2006	180m	3,774,255	1,853,376	251,617	251,617	251,617	251,617	251,617	251,617	251,617	-	-	-	-	-	-	-	-	-
Non Compete Agreement	1/1/2006	180m	478,059	286,839	31,871	31,871	31,871	31,871	31,871	31,871	31,871	-	-	-	-	-	-	-	-	-
Goodwill	4/1/2014	180m	1,405,646	70,282	93,710	93,710	93,710	93,710	93,710	93,710	93,710	93,710	93,710	93,710	93,710	93,710	93,710	93,710	93,710	-
Customer Contracts	4/1/2014	180m	480,000	24,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	-
Non Compete Agreement	4/1/2014	180m	15,000	750	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-
Trade Name	4/1/2014	180m	220,000	11,000	14,667	14,667	14,667	14,667	14,667	14,667	14,667	14,667	14,667	14,667	14,667	14,667	14,667	14,667	14,667	-
Total Annual Amort. Expense			$ 71,256,576	$ 13,355,802	$ 2,744,304	$ 5,426,946	$ 5,426,946	$ 5,168,079	$ 4,598,569	$ 4,598,569	$ 4,598,569	$ 4,315,082	$ 4,315,082	$ 3,304,674	$ 3,304,674	$ 3,304,674	$ 3,304,674	$ 3,304,674	$ 2,658,943	$ 2,517,567
Tax Savings								$ 1,808,827	$ 1,609,499	$ 1,609,499	$ 1,609,499	$ 1,510,279	$ 1,510,279	$ 1,156,636	$ 1,156,636	$ 1,156,636	$ 1,156,636	$ 1,156,636	$ 930,630	$ 881,148
Years								0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5
Present Value Factor								0.8944	0.7155	0.5724	0.4579	0.3664	0.2931	0.2345	0.1876	0.1501	0.1200	0.0960	0.0768	0.0615
Present Value of Tax Savings								$ 1,617,864	$ 1,151,664	$ 921,331	$ 737,065	$ 553,302	$ 442,641	$ 271,195	$ 216,956	$ 173,565	$ 138,852	$ 111,081	$ 71,501	$ 54,159
Value of Amortization Tax Savings		**$ 6,461,177**																		

Note:

[1] See Schedule 2.1.

[2] We note that there is an approximate variance of $3.2 million between the total amortization expense calculated from 2016 - 2029 and the available amortization of approximately $57mm ($71.256 - $13.355) however, we were not provided with sufficient amortization detail to reconcile the variance and it is immaterial to our conclusion.

Orion Healthcorp, Inc.
Value of Amortization Tax Benefit ("ATB")

Value of Orion Healthcorp, Inc. Amortization Tax Benefit ("ATB")		
Financial Fundamental	**Amount**	**Formula**
Value of ATB 12/31/15 Based on 2015 Unamended Tax Return [1]	$ 6,461,177	A
Per "Other Depreciation" Schedule of 2015 Unamended Tax Return		
Basis of Intangible Assets [1]	$ 71,256,576	B
Accumulated Intangible Assets [1]	13,355,802	C
Intangible Assets, Amortized	$ 57,900,774	D = A – C
Accumulated Intangible Assets per 2015 Unamended TR, Sched. L [2]	$ 35,980,078	E
Value of ATB, Subtotal	$ 4,015,035	F = A × E ÷ D
Accumulated Intangible Assets per 2015 Amended TR, Sched. L [2]	$ 31,594,537	G
Estimated Value of Amortization Tax Benefit at December 31, 2016	**$ 3,525,650**	H = F × G ÷ E

Note:

[1] See Schedule 3.4.

[2] See applicable tax returns.

Orion Healthcorp, Inc.

Executive Compensation Normalization

Orion Healthcorp Executive Compensation Normalization			
Description	**2017**	**2016**	**2015**
Paul Parmar Compensation			
Base Salary[1]	$ 250,000	$ 250,000	$ 250,000
Performance Bonus[2]	250,000	250,000	250,000
Total	$ 500,000	$ 500,000	$ 500,000
Long-term Growth Rate	2.50%		
Deflation Factor	1.025x		
Compensation Adjusted for Inflation	**$ 500,000**	**$ 487,805**	**$ 475,907**

Notes:

[1] Paul Parmar's Employment Agreement Dated November 24th, 2016.

[2] We assumed that Mr. Parmar earned 100% of his performance bonus.

Orion Healthcorp, Inc.

Net Working Capital Analysis

Orion Healthcorp, Inc. Net Working Capital Analysis		
Description	**12/31/2015**	**12/31/2016**
Net Revenue[1]	$ 55,490,216	$ 53,936,035
Adj. Current Assets[2]		
Cash	$ 2,409,919	$ 1,044,359
Net Accounts Receivable	13,962,682	6,988,677
Inventory	249,430	300,809
Other Current Assets	395,191	2,734,803
Total Adj. Current Assets	$ 17,017,222	$ 11,068,648
Adj. Current Liabilities[2]		
Accounts Payable	$ 3,910,933	$ 10,303,874
Current Interest Bearing Debt	4,631,771	208,569
Other Current Liabilities	9,338,271	10,715,352
Adj. Total Current Liabilities	$ 17,880,975	$ 21,227,795
Net Working Capital ("NWC")	**$ (863,753)**	**$ (10,159,147)**
NWC as a % of Revenue	*-1.56%*	*-18.84%*
Selected Normalized NWC as a % of Revenue[3]		***18.0%***
Normalized Working Capital	$ 9,988,239	$ 9,708,486
Implied Working Capital Surplus (Deficit)	**$ (10,851,992)**	**$ (19,867,633)**

Notes:

[1] See Schedule 7.0.

[2] See Schedules 5.2 and 5.3.

[3] Per Integra Five-year Industry Report for SIC 8742 - Management Consulting Services working capital to Sales is approximately 18%.

Orion Healthcorp, Inc.
Cash Flow Test

Orion Healthcorp, Inc. Cash Flow Test		
Description		**As of 12/31/2016**
Net Revenue[1]	$	53,936,035
Adjusted EBITDA[1]	$	3,066,238
Less: Income Tax Expenses @35%	$	-
Less: Capital Expenditures[2]		4,111,776
Less: Working Capital Deficit[3]		19,867,633
Less Incremental Working Capital		242,712
Cash Available for Interest Expense	$	(21,155,884)
Less: Normalized Interest Expense[5]	$	8,039,933
Cushion (Shortfall)	**$**	**(29,195,817)**
Pass / Fail		**FAIL**

Notes:

[1] See Schedule 3.1.

[2] See Schedules 2.0.

[3] See Schedule 3.0.

[4] See Schedule 4.0.

[5] See Schedule 5.1.

Orion Healthcorp, Inc.
Normalized Interest Bearing Liabilities

Orion Healthcorp, Inc. Normalized Interest Bearing Liabilities		
Description		**As of 12/31/2016**
Interest Bearing Current Liabilities[1]		
Current Interest Bearing Debt	$	208,569
Intercompany Loans		-
Total Interest Bearing Current Liabilities	$	208,569
Long-Term Debt[1]	$	111,457,166
Total Interest Bearing Liabilities	$	111,665,735
Normalized Cost of Debt[3]		7.20%
Normalized Estimated Interest Expense	**$**	**8,039,933**

Notes:

[1] See Schedules 5.2 and 5.3.

[2] See Schedule 2.0.

Orion Healthcorp, Inc.

Normalized Balance Sheet

Orion Healthcorp, Inc. Normalized Balance Sheet			
Description	**As of 12/31/2015**	**Adjustments**	**Adjusted Balance Sheet as of 12/31/2015**
Assets			
Cash	$ 2,409,919	$ -	$ 2,409,919
Trade Notes and A/R	15,541,299	-	15,541,299
Less: allowances for Bad Debt	(1,578,617)	-	(1,578,617)
Inventory	249,430	-	249,430
US Gov. Obligations	-		-
Tax-Exempt Securities	-		-
Other Current Assets	395,191	-	395,191
Loans to Stockholders	-	-	-
Mtge and Real Estate Loans	-	-	-
Other Investments	-	-	-
Buildings and Other Depr. Assets	17,668,323	-	17,668,323
Less. Accum. Depreciation	(8,444,040)	-	(8,444,040)
Depletable Assets	-	-	-
Land, net	-	-	-
Intangible Assets	38,288,546	-	38,288,546
Less. Accum. Amortization	(6,694,009)	-	(6,694,009)
Other Assets	33,173,528	-	33,173,528
Total Assets	**$ 91,009,570**	**$ -**	**$ 91,009,570**
Liabilities & Equity			
Accounts Payable	$ 3,910,933	$ -	$ 3,910,933
Current Interest Bearing Debt	4,631,771	-	4,631,771
Other Current Liabilities	9,338,271	-	9,338,271
Loans from Stockholders	1,628,998	(1,628,998)	-
Long-term Debt	10,290,577	-	10,290,577
Other Liabilities	17,911,073	-	17,911,073
Total Liabilities	**$ 47,711,623**	**$ (1,628,998)**	**$ 46,082,625**
Capital Stock - Preferred	-	-	-
Capital Stock - Common	6,500	-	6,500
Additional Paid-in Capital	137,426,624	-	137,426,624
Retained earnings-appropriated	-	-	-
Retained earnings-unappropriated	(94,135,177)	-	(94,135,177)
Adjustments to Shareholder's Equity	-	-	-
Less cost of Treasury Stock	-	-	-
Loans from Stockholders	-	1,628,998	1,628,998
Total Equity	**$ 43,297,947**	**$ 1,628,998**	**$ 44,926,945**
Total Liabilities & Equity	**$ 91,009,570**	**$ -**	**$ 91,009,570**

Orion Healthcorp, Inc.

Normalized Balance Sheet

Orion Healthcorp, Inc. Normalized Balance Sheet						
Description	**As of 12/31/2016**		**Adjustments**		**Adjusted Balance Sheet as of 12/31/2016**	
Assets						
Cash	$	1,044,359	$	-	$	1,044,359
Trade Notes and A/R		8,143,392		-		8,143,392
Less: allowances for Bad Debt		(1,154,715)		-		(1,154,715)
Inventory		300,809		-		300,809
US Gov. Obligations		-				-
Tax-Exempt Securities		-				-
Other Current Assets		2,734,803		-		2,734,803
Loans to Stockholders		-		-		-
Mtge and Real Estate Loans		-		-		-
Other Investments		-		-		-
Buildings and Other Depr. Assets		14,405,426		-		14,405,426
Less. Accum. Depreciation		(4,872,353)		-		(4,872,353)
Depletable Assets		-		-		-
Land, net		-		-		-
Intangible Assets		98,336,909		-		98,336,909
Less. Accum. Amortization		(7,520,913)		-		(7,520,913)
Other Assets		22,472,146		-		22,472,146
Total Assets	**$**	**133,889,863**	**$**	**-**	**$**	**133,889,863**
Liabilities & Equity						
Accounts Payable	$	10,303,874	$	-	$	10,303,874
Current Interest Bearing Debt		208,569		-		208,569
Other Current Liabilities		109,790,852		(99,075,500)		10,715,352
Loans from Stockholders		884,833		(884,833)		-
Long-term Debt		12,381,666		99,075,500		111,457,166
Other Liabilities		18,231,992		-		18,231,992
Total Liabilities	**$**	**151,801,786**	**$**	**(884,833)**	**$**	**150,916,953**
Capital Stock - Preferred		-		-		-
Capital Stock - Common		8,583		-		8,583
Additional Paid-in Capital		94,984,935		-		94,984,935
Retained earnings-appropriated		-		-		-
Retained earnings-unappropriated		(112,905,441)		-		(112,905,441)
Adjustments to Shareholder's Equity		-		-		-
Less cost of Treasury Stock		-		-		-
Loans from Stockholders		-		884,833		884,833
Total Equity	**$**	**(17,911,923)**	**$**	**884,833**	**$**	**(17,027,090)**
Total Liabilities & Equity	**$**	**133,889,863**	**$**	**-**	**$**	**133,889,863**

Orion Healthcorp, Inc.

Capital Adequacy Test (Based on Adjusted Financial Statements)

Measurement Date: 12/31/2016

II. Capital Adequacy Test - Ratio Summary and Comparison to Guideline Public Companies

Capital Adequacy Ratios

Orion Healthcorp, Inc.	Adjusted Financials [1]	
	FYE 12/31/2015	FYE 12/31/2016
Total Book Value of Debt / Enterprise Market Value	0.63x	Zero MVIC
Total Book Value of Debt / Indicated Market Value of Equity	Negative Market Value of Equity	Negative Market Value of Equity
Total Book Value of Debt / Book EBITDA	1.10x	Negative EBITDA
Book EBIT / Interest Expense	Negative EBIT	Negative EBIT
Book EBITDA - CapEx / Cash Interest Expense	4.52x	Negative EBITDA
Solvency Ratio (After-tax Net Profit+ Depreciation) / Total Liabilities	Negative Net Profit	Negative Net Profit

Guideline Public Companies & Industry	Guideline Public Companies [2]		Industry [3]	
	FYE 12/31/2015	FYE 12/31/2016	FYE 12/31/2015	FYE 12/31/2016
Total Debt / Enterprise Market Value	0.00x	0.12x	NA	NA
Total Debt / Market Value of Equity	0.00x	0.13x	NA	NA
Book Value of Debt / LTM EBITDA	0.1x	2.2x	1.15x	1.16x
LTM EBIT / Interest Expense	102.2x	8.3x	4.25x	4.24x
LTM EBITDA - LTM CapEx / LTM Interest Expense	163.8x	6.6x	3.02x	3.30x
Solvency Ratio (After-tax Net Profit+Depreciation) / Total Liabilities	0.38x	0.07x	0.30x	0.30x

Conclusion:
Capital Adequacy Test = FAIL

Notes:

[1] Ratios are calculated using 2015 Amended and 2016 Orion Healthcorp Inc. tax returns, management financial statements and adjustments.

[2] Source: Capital IQ

[3] Integra Report 2019. SIC 8742 - Management Consulting Services. All Sales Ranges. Final Year Business Count: 3,843.

Orion Healthcorp, Inc.

Capital Adequacy Test (Based on Reported Financial Statements)

Measurement Date: 12/31/2016

II. Capital Adequacy Test - Ratio Summary and Comparison to Guideline Public Companies

Capital Adequacy Ratios

Orion Healthcorp, Inc.	Latest Reported Financials [1]	
	FYE 12/31/2015	FYE 12/31/2016
Total Book Value of Debt / Enterprise Market Value	0.63x	Zero MVIC
Total Book Value of Debt / Indicated Market Value of Equity	Negative Market Value of Equity	Negative Market Value of Equity
Total Book Value of Debt / Book EBITDA	-30.83x	Negative EBITDA
Book EBIT / Interest Expense	Negative EBIT	Negative EBIT
Book EBITDA - CapEx / Cash Interest Expense	-1.83x	Negative EBITDA
Solvency Ratio (After-tax Net Profit+ Depreciation) / Total Liabilities	Negative Net Profit	Negative Net Profit

Guideline Public Companies & Industry	Guideline Public Companies [2]		Industry [3]	
	FYE 12/31/2015	FYE 12/31/2016	FYE 12/31/2015	FYE 12/31/2016
Total Debt / Enterprise Market Value	0.00x	0.12x	NA	NA
Total Debt / Market Value of Equity	0.00x	0.13x	NA	NA
Book Value of Debt / LTM EBITDA	0.1x	2.2x	1.15x	1.16x
LTM EBIT / Interest Expense	102.2x	8.3x	4.25x	4.24x
LTM EBITDA - LTM CapEx / LTM Interest Expense	163.8x	6.6x	3.02x	3.30x
Solvency Ratio (After-tax Net Profit+Depreciation) / Total Liabilities	0.38x	0.07x	0.30x	0.30x

Conclusion:
Capital Adequacy Test = FAIL

Notes:

[1] Ratios are calculated using 2015 Amended and 2016 Orion Healthcorp Inc. tax returns management financial statements.

[2] Source: Capital IQ

[3] Integra Report 2019. SIC 8742 - Management Consulting Services. All Sales Ranges. Final Year Business Count: 3,843.

Orion Healthcorp, Inc.

Market Approach - Guideline Public Company ("GPC") Fundamentals

All numbers in millions except percentages, unless otherwise noted [1]
Measurement Date: 12/31/2015

#	Company Name	Capital IQ ID	SIC	[a] Market Cap ($M)	[b] Total Debt (Book Value) ($M)	Interest Expense ($M)	∑([a]:[d])-[e] MVIC or Enterprise Value ($M)	LRQ [2]	Filing Date	Revenue [ttm] ($M)	Revenue Growth [yoy]	Gross Profit / Loss [ttm]	Gross Profit Margin %	Operating Income / Loss [ttm]	Operating Margin %	EBITDA [ttm] ($M)	EBITDA Margin %	CapEx ($M)	Net Income [ttm] ($M)	Profit Margin %	Total Assets ($M)	Net Working Capital ($M)	Net Working Capital / Revenue	Book Value of Equity ($M)	Debt / BV Equity [lrq]	Cash & Cash Equivalents ($M)	Unlevered Free Cash Flow [ttm] ($M)	Cash Flow from Operations [ttm] ($M)
	Management Consulting Services																											
1	NextGen Healthcare, Inc.	IQ186373	7372	$ 981.10	$ -	$ 0.23	$ 870.33	Sep-15	10/23/15	$ 499.35	8.0%	$ 276.57	55.4%	$ 44.23	8.9%	$ 57.19	11.5%	$ 8.04	$ 32.10	6.4%	$ 436.14	$11.79	196.5%	$ 287.50	0%	$ 98.65	$ 21.84	$ 53.90
2	MTBC, Inc.	IQ7828151	7370	13.28	5.75	0.19	17.42	Sep-15	11/12/15	24.82	75.0%	11.26	45.4%	(6.23)	-25.1%	(1.74)	-7.0%	0.9	(4.88)	-19.7%	21.58	($1.10)	53.5%	10.58	54%	1.61	(1.80)	(2.57)
3	Allscripts Healthcare Solutions, Inc.	IQ4730973	7370	2,907.05	655.04	31.29	3,481.84	Sep-15	11/6/15	1,381.65	-0.5%	645.81	46.7%	11.52	0.8%	95.21	6.9%	20.0	(20.73)	-1.5%	2,673.31	($18.02)	210.4%	1,395.58	47%	91.40	175.47	179.81
4	Cerner Corporation	IQ259627	7373	20,584.44	630.67	3.99	20,750.57	Oct-15	11/4/15	4,103.40	29.0%	3,451.60	84.1%	851.10	20.7%	1,148.83	28.0%	331.6	521.13	12.7%	5,522.93	$557.73	501.6%	3,837.33	16%	261.76	150.43	817.88
5	Evolent Health, Inc.	IQ225523981	7372	502.27	-	-	581.47	Sep-15	11/6/15	151.71	1096.7%	45.94	30.3%	(77.20)	-50.9%	(72.56)	-47.8%	14.9	298.90	197.0%	1,056.18	($53.80)	331.1%	936.05	0%	208.16	7.41	(24.28)
6	Computer Programs and Systems, Inc.	IQ2146380	7373	552.66	-	-	514.20	Sep-15	11/6/15	184.21	-12.2%	75.70	41.1%	31.84	17.3%	35.28	19.1%	1.2	21.69	11.8%	97.84	$21.95	300.0%	77.82	0%	27.63	39.22	39.20
	Range and Averages																											
	High			$ 20,584.44	$ 655.04	$ 31.29	$ 20,750.57			$ 4,103.40	1096.7%	$ 3,451.60	84.1%	$ 851.10	20.7%	$ 1,148.83	28.0%	$ 331.59	$ 521.13	197.0%	$ 5,522.93	$ 557.73	501.6%	$ 3,837.33	54%	$ 261.76	$ 175.47	$ 817.88
	Mean - Average			4,256.80	215.24	5.95	4,369.30			1,057.52	199.3%	751.15	50.5%	142.54	-4.7%	210.37	1.8%	62.77	141.37	34.5%	1,634.66	86.42	265.5%	1,090.81	20%	114.87	65.43	177.32
	Median			766.88	2.88	0.21	725.90			341.78	18.5%	176.13	46.1%	21.68	4.8%	46.23	9.2%	11.49	26.90	9.1%	746.16	5.34	255.2%	611.77	8%	95.02	30.53	46.55
	Low			13.28	-	-	17.42			24.82	-12.2%	11.26	30.3%	(77.20)	-50.9%	(72.56)	-47.8%	0.87	(20.73)	-19.7%	21.58	(53.80)	53.5%	10.58	0%	1.61	(1.80)	(24.28)
	Industry Fundamentals [3]																											
	2015	NA	8742	NA	$ 0.21	$ 0.02	NA	NA	NA	$ 1.62	NA	NA	NA	$ 0.09	5.3%	$ 0.18	11.4%	$ 0.12	$ 0.05	2.9%	$ 1.02	$ 0.29	18.0%	$ 0.53	40%			

Notes:

[1] Source: S&P Capital IQ unless otherwise noted. See Screening Criteria below.
[2] LRQ = Last Reported Quarter. Financial data is reported as of the latest available filed reports on or before the valuation date.
[3] Integra Report 2019. SIC 8742 - Management Consulting Services. All Sales Ranges. Final Year Business Count: 3,843.

Orion Healthcorp, Inc.

Market Approach - Guideline Public Company ("GPC") Fundamentals

All numbers in millions except percentages, unless otherwise noted [1]
Measurement Date: 12/31/2016

#	Company Name	Capital IQ ID	SIC	Market Cap ($M)	Total Debt (Book Value) ($M)	Interest Expense ($M)	MVIC or Enterprise Value ($M)	LRQ [2]	Filing Date	Revenue [ttm] ($M)	Revenue Growth [yoy]	Gross Profit / Loss [ttm]	Gross Profit Margin %	Operating Income / Loss [ttm]	Operating Margin %	EBITDA [ttm] ($M)	EBITDA Margin %	EBIT [ttm] ($M)	Profit Margin %	Net Income / EBITDA %	Inventory / Total Assets %	Net Working Capital ($M)	Net Working Capital / Revenue	Book Value of Equity ($M)	Total Debt / BV Equity [lrq]	Cash & Cash Equivalents ($M)	Unlevered Free Cash Flow [ttm] ($M)	Cash Flow from Operations [ttm] ($M)
				[a]	[b]		∑([a]:[d])-[e]													Hidden	Hidden							
																				/	/							
	Management Consulting Services																											
1	NextGen Healthcare, Inc.	IQ186373	7372	$ 816.54	$ 48.00	$ 3.12	$ 838.30	Sep-16	10/27/16	$ 494.32	-1.0%	$ 268.46	54.3%	$ 37.98	7.7%	$ 56.37	11.4%	$ 37.98	-1.1%	#REF!	#REF!	$ (7)	-1.4%	$ 285.47	17%	$ 26.25	$ 59.01	$ 83.30
2	MTBC, Inc.	IQ7828151	7370	7.47	9.85	0.61	10.21	Sep-16	11/10/16	21.03	-15.3%	11.38	54.1%	(5.62)	-26.7%	(0.98)	-4.7%	(5.62)	-26.5%	#REF!	#REF!	$0.21	1.0%	11.07	89%	7.11	0.35	(0.48)
3	Allscripts Healthcare Solutions, Inc.	IQ4730973	7370	1,889.77	1,233.12	50.16	3,266.61	Sep-16	11/4/16	1,470.11	6.4%	720.43	49.0%	57.42	3.9%	132.53	9.0%	57.42	-0.1%	#REF!	#REF!	($89.65)	-6.1%	1,747.91	71%	77.25	187.53	268.42
4	Cerner Corporation	IQ259627	7373	16,082.12	572.54	11.82	15,961.97	Oct-16	11/2/16	4,632.81	12.9%	3,950.61	85.3%	933.12	20.1%	1,294.48	27.9%	933.12	14.1%	#REF!	#REF!	$514.19	11.1%	4,278.04	13%	431.50	460.32	1,175.47
5	Evolent Health, Inc.	IQ225523981	7372	778.13	-	-	816.29	Sep-16	11/10/16	212.24	317.6%	92.19	43.4%	(52.25)	-24.6%	(39.30)	-18.5%	(52.25)	-69.0%	#REF!	#REF!	($33.37)	-15.7%	759.86	0%	109.78	(48.91)	(20.32)
6	Computer Programs and Systems, Inc.	IQ2146380	7373	314.96	155.66	4.83	466.97	Sep-16	11/8/16	246.95	34.1%	106.56	43.1%	27.98	11.3%	36.46	14.8%	27.98	2.2%	#REF!	#REF!	$15.36	6.2%	156.25	100%	3.66	40.12	1.98
	Range and Averages																											
	High			$ 16,082.12	$ 1,233.12	$ 50.16	$ 15,961.97			$ 4,632.81	317.6%	$ 3,950.61	85.3%	$ 933.12	20.1%	$ 1,294.48	27.9%	$ 933.12	14.1%	#REF!	#REF!	$ 514.19	11.1%	$ 4,278.04	100%	$ 431.50	$ 460.32	$ 1,175.47
	Mean - Average			3,314.83	336.53	11.76	3,560.06			1,179.58	59.1%	858.27	54.9%	166.44	-1.4%	246.59	6.7%	166.44	-13.4%	#REF!	#REF!	66.65	-0.8%	1,206.43	48%	109.26	116.40	251.40
	Median			797.34	101.83	3.97	827.29			370.63	9.7%	187.51	51.6%	32.98	5.8%	46.41	10.2%	32.98	-0.6%	#REF!	#REF!	(3.31)	-0.2%	522.66	44%	51.75	49.56	42.64
	Low			7.47	-	-	10.21			21.03	-15.3%	11.38	43.1%	(52.25)	-26.7%	(39.30)	-18.5%	(52.25)	-69.0%	#REF!	#REF!	(89.65)	-15.7%	11.07	0%	3.66	(48.91)	(20.32)
	Industry Fundamentals [3]																											
	2016	NA	8742	NA	$ 0.23	$ 0.02	NA	NA	NA	$ 1.71	5.8%	NA	NA	$ 0.09	5.2%	$ 0.20	11.4%	NA	2.9%			$ 0.31	18.0%	$ 0.56	40.32%			

Notes:

[1] Source: S&P Capital IQ unless otherwise noted. See Screening Criteria below.
[2] LRQ = Last Reported Quarter. Financial data is reported as of the latest available filed reports on or before the valuation date.
[3] Integra Report 2019. SIC 8742 - Management Consulting Services. All Sales Ranges. Final Year Business Count: 3,843.

Orion Healthcorp, Inc.

Adjusted Consolidated Historical Profit and Loss Statements

Adj. Consolidated Orion Healthcorp, Inc. Profit and Loss Statement						
Description	Adj. Consolidated Orion Healthcorp, Inc. Profit and Loss Statement FYE 12/31/2015[1]			Adj. Consolidated Orion Healthcorp, Inc. Profit and Loss Statement FYE 12/31/2016[2]		
	$		%	$		%
Revenue	**$**	**55,490,216**	100.0%	**$**	**53,936,035**	100.0%
Total Revenue	**$**	**55,490,216**	100.0%	**$**	**53,936,035**	100.0%
Operating Expenses:						
Salaries and Benefits	$	18,576,559	33.5%	$	22,434,628	41.6%
Facility Rent and Related Costs		3,099,693	5.6%		2,880,672	5.3%
Depreciation		1,284,608	2.3%		2,582,067	4.8%
Amortization		3,201,757	5.8%		9,217,893	17.1%
Professional and Consulting Fees		17,107,944	30.8%		15,561,441	28.9%
Management Fees Inter Company		-	0.0%		-	0.0%
Insurance		435,427	0.8%		583,882	1.1%
Provision for Doubtful Accounts		733,764	1.3%		2,239,825	4.2%
Vaccines and Medical Supplies		4,417,260	8.0%		4,796,524	8.9%
Office and Computer Supplies		226,948	0.4%		299,649	0.6%
Postage and Courier		1,830,631	3.3%		1,963,024	3.6%
Other		4,317,315	7.8%		4,793,491	8.9%
Total operating expenses	**$**	**55,231,907**	99.5%	**$**	**67,353,097**	124.9%
Income From Operations	**$**	**258,309**	0.5%	**$**	**(13,417,061)**	-24.9%
Other income (expenses):						
Interest Expense		(2,579,398)	-4.6%		(1,656,908)	-3.1%
Change in Fair Value of Contingent Consideration		(537,199)	-1.0%		(4,173,331)	-7.7%
Early Extinguishment of Debt		-	0.0%		(6,410,566)	-11.9%
Other Expense, Net		(4,691,539)	-8.5%		(22,734,144)	-42.2%
Total Other Income (Expenses), Net	**$**	**(7,808,136)**	-14.1%	**$**	**(34,974,948)**	-64.8%
Income Before Provision For Income Taxes	**$**	**(7,549,827)**	-13.6%	**$**	**(48,392,010)**	-89.7%
Provision for Income Taxes		4,367,999	7.9%		(1,649,262)	-3.1%
Net income	**$**	**(11,917,826)**	-21.5%	**$**	**(46,742,748)**	-86.7%
Other Comprehensive Loss		-	0.0%		659	0.0%
Comprehensive Income	**$**	**(11,917,826)**	-21.5%	**$**	**(46,743,407)**	-86.7%

Notes:

[1] FTI 2015 P&L by Legal Entity - Tax.xls.

[2] FTI 2016 P&L by Legal Entity - Tax.xls.

Orion Healthcorp, Inc.

Consolidated Historical Income Statements

Description	Original Orion Healthcorp Inc. & Subs FYE 2015[1]		Amended Orion Healthcorp Inc. & Subs FYE 2015[2]		Consolidated Orion Healthcorp, Inc. FYE 2016[3]	
Gross Receipts	$ 77,563,055	100.0%	$ 55,522,589	100.0%	$ 54,698,210	100.0%
Cost of Sales	-	0.0%	-	0.0%	-	0.0%
Gross Profit	$ 77,563,055	100.0%	$ 55,522,589	100.0%	$ 54,698,210	100.0%
Other Income	$ 1,109,190	1.4%	$ 561,291	1.0%	$ 469	0.0%
Total Income	$ 78,672,245	101.4%	$ 56,083,880	101.0%	$ 54,698,679	100.0%
Salaries & wages	$ 23,733,968	30.6%	$ 23,184,402	41.8%	$ 26,976,041	49.3%
Repairs & maintenance	86,624	0.1%	85,911	0.2%	376,221	0.7%
Bad debts	532,942	0.7%	532,942	1.0%	1,797,262	3.3%
Rents	2,604,935	3.4%	2,592,132	4.7%	2,000,188	3.7%
Taxes & licenses	2,483,423	3.2%	2,257,636	4.1%	1,341,230	2.5%
Interest	2,592,029	3.3%	2,592,029	4.7%	1,656,997	3.0%
Charitable contributions	52	0.0%	-	0.0%	-	0.0%
Depreciation	10,841,972	14.0%	10,841,969	19.5%	5,146,612	9.4%
Depletion	-	0.0%	-	0.0%	-	0.0%
Adverting	174,014	0.2%	141,507	0.3%	-	0.0%
Pension, profit-sharing etc.	-	0.0%	-	0.0%	-	0.0%
Employee benefit programs	1,073,488	1.4%	1,034,866	1.9%	1,047,588	1.9%
Domestic production activities deduction	-	0.0%	-	0.0%	-	0.0%
Other deductions	27,654,744	35.7%	24,212,953	43.6%	44,698,052	81.7%
Total deductions	$ 71,778,191	92.5%	$ 67,476,347	121.5%	$ 85,040,191	155.5%
Taxable income before NOL & Spec. deductions	$ 6,894,054	8.9%	$ (11,392,467)	-20.5%	$ (30,341,512)	-55.5%
NOL, Spec. deductions	$ 1,835,869	2.4%	$ -	0.0%	$ -	0.0%
Taxable Income	**$ 5,058,185**	6.5%	**$ (11,392,467)**	-20.5%	**$ (30,341,512)**	-55.5%

Notes:

[1] Orion Healthcorp, Inc. Amended 2015 Tax Return.

[2] Orion Healthcorp, Inc. 2016 Tax Return.

Orion Healthcorp, Inc.

Consolidated Historical Balance Sheet

Consolidated Historical Balance Sheet				
Description	Amended Orion Healthcorp Inc. & Subs FYE 2015[1]		Consolidated Orion Healthcorp, Inc. FYE 2016[2]	
Assets				
Cash	$ 2,409,919	2.6%	$ 1,044,359	0.8%
Trade Notes and A/R	15,541,299	17.1%	8,143,392	6.1%
Less: allowances for Bad Debt	(1,578,617)	-1.7%	(1,154,715)	-0.9%
Inventory	249,430	0.3%	300,809	0.2%
US Gov. Obligations	-	0.0%	-	0.0%
Tax-Exempt Securities	-	0.0%	-	0.0%
Other Current Assets	395,191	0.4%	2,734,803	2.0%
Loans to Stockholders	-	0.0%	-	0.0%
Mtge and Real Estate Loans	-	0.0%	-	0.0%
Other Investments	-	0.0%	-	0.0%
Buildings and Other Depr. Assets	17,668,323	19.4%	14,405,426	10.8%
Less. Accum. Depreciation	(8,444,040)	-9.3%	(4,872,353)	-3.6%
Depletable Assets	-	0.0%	-	0.0%
Land, net	-	0.0%	-	0.0%
Intangible Assets	38,288,546	42.1%	98,336,909	73.4%
Less. Accum. Amortization	(6,694,009)	-7.4%	(7,520,913)	-5.6%
Other Assets	33,173,528	36.5%	22,472,146	16.8%
Total Assets	**$ 91,009,570**	100.0%	**$ 133,889,863**	100.0%
Liabilities & Equity				
Accounts Payable	$ 3,910,933	4.3%	$ 10,303,874	7.7%
Current Interest Bearing Debt	4,631,771	5.1%	208,569	0.2%
Other Current Liabilities	9,338,271	10.3%	109,790,852	82.0%
Loans from Stockholders	1,628,998	1.8%	884,833	0.7%
Long-term Debt	10,290,577	11.3%	12,381,666	9.2%
Other Liabilities	17,911,073	19.7%	18,231,992	13.6%
Total Liabilities	**$ 47,711,623**	52.4%	**$ 151,801,786**	113.4%
Capital Stock - Preferred	$ -	0.0%	$ -	0.0%
Capital Stock - Common	6,500	0.0%	8,583	0.0%
Additional Paid-in Capital	137,426,624	151.0%	94,984,935	70.9%
Retained earnings-appropriated	-	0.0%	-	0.0%
Retained earnings-unappropriated	(94,135,177)	-103.4%	(112,905,441)	-84.3%
Adjustments to Shareholder's Equity	-	0.0%	-	0.0%
Less cost of Treasury Stock	-	0.0%	-	0.0%
Total Equity	**$ 43,297,947**	47.6%	**$ (17,911,923)**	-13.4%
Total Liabilities & Equity	**$ 91,009,570**	100.0%	**$ 133,889,863**	100.0%

Notes:

[1] Orion Healthcorp, Inc. Amended 2015 Tax Return.

[2] Orion Healthcorp, Inc. 2016 Tax Return.

PROOF OF SERVICE

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

I, Rolanda Mori, am employed in the city and county of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 10100 Santa Monica Blvd., 13th Floor, Los Angeles, California 90067-4100.

On September 2, 2021, I caused to be served the **NOTICE OF PLAINTIFF'S DESIGNATION OF EXPERT PURSUANT TO RULE 26(a)(2) OF THE FEDERAL RULES OF CIVIL PROCEDURE** in this action by placing a true and correct copy of said document(s) in sealed envelopes in the U.S. mail addressed as follows:

Anthony F. Giuliano, Esq.
445 Broadhallow Road, Suite 25
Melville, New York 11747
Tel: (516) 792-9800
Email: afg@pryormandelup.com

☑ (BY MAIL) I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Los Angeles, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

☑ (BY EMAIL) I caused to be served the above-described document by email to the parties indicated on the attached service list at the indicated email address.

☐ (BY PERSONAL SERVICE) By causing to be delivered by hand to the offices of the addressee(s).

☐ (BY OVERNIGHT DELIVERY) By sending by **FEDERAL EXPRESS** to the addressee(s) as indicated on the attached list.

I declare that I am employed in the office of a member of the bar of this Court at whose direction was made. Executed on September 2, 2021 at Los Angeles, California.

Rolanda Mori